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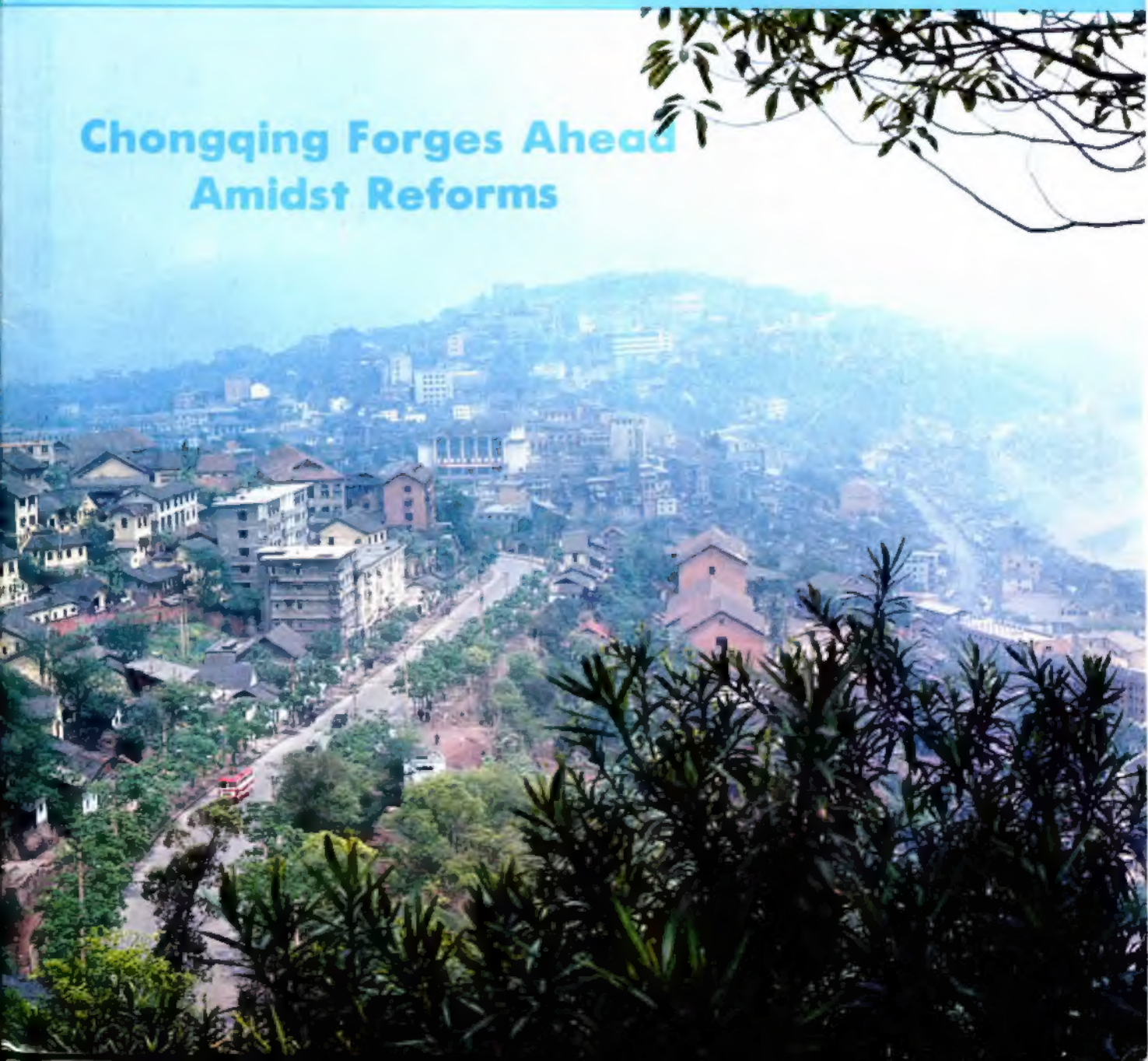
BEIJING REVIEW

北京周報

A CHINESE WEEKLY OF
NEWS AND VIEWS

- President Li Tours Southern Europe
- China Stresses Energy Conservation

**Chongqing Forges Ahead
Amidst Reforms**



SPOTLIGHT

Shekou Industrial District in Shenzhen

This 600-metre dock in the Shekou District of the Shenzhen Special Economic Zone can berth 5,000-ton freighters.

"Bitao", a glass-walled trade centre, was built with investment from the Hong-kong Landtrade Co., Ltd. and the China Merchants' Steam Navigation Co., Ltd.



Li Gui, 27, has been appointed manager of the Telecommunications Company in Shekou for his exceptional ability.



Women choose clothes at a Shekou shop.



At the Luks Electronic Co., Ltd., a factory built solely with funds from Hongkong produces connection plates for 14-inch colour TV sets.

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COVER: Chongqing in the early morning haze.	

Photo by Xie Jun

HIGHLIGHTS OF THE WEEK

President Li's South European Tour

President Li Xiannian's upcoming visit to Spain, Portugal and Malta is another Chinese diplomatic effort to promote understanding and strengthen co-operation with these countries. It will not only result in closer relations between them, but will also be conducive to world peace (p. 4).

Burmese President Visits China

Sino-Burmese friendship has been reinforced by President U San Yu's recent visit to China. Chinese leaders said the friendly ties will develop further from one generation to the next (p. 9).

Deng Urges Army to Boost Reforms

Speaking at a Central Military Commission forum, Deng Xiaoping urged the army to support the current economic reforms and to help the nation's economic development, which, he said, will help build the national defence (p. 6).

Dazhai and Xiaojinzhuang Take on New Look

Dazhai and Xiaojinzhuang, two "model" villages during the "cultural revolution," suffered greatly under the "Left" influence. But since they adopted the contract responsibility system in 1983, both have improved their living standards by developing commodity production and diversifying their economies (p. 8).

Trying Out Urban Economic Reform

In southwestern China's Chongqing, the first large city to try out China's comprehensive economic reforms, decentralization and sweeping away unnecessary bureaucracy have revitalized business. The success of Chongqing points the way for the coming nationwide reforms (p. 17).

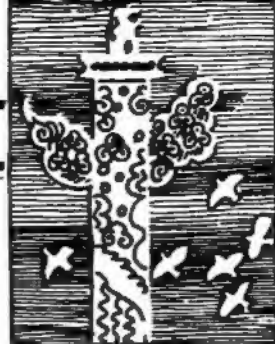
China Emphasizes Energy Conservation

Although energy supplies have increased and consumption rate has decreased, machines and production techniques with poor energy efficiency remain a problem. To ensure energy supply, China has planned effective ways to make further progress in energy conservation (p. 20).

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President Li's South European Tour

by **MU YOU LIN**
International Editor

President Li Xiannian's trip to Spain, Portugal and Malta, scheduled for Nov. 10-22, will mark the first time a Chinese head of state has visited these countries. Following Premier Zhao Ziyang's trip to Western Europe last summer, it is another major Chinese diplomatic effort.

Just as global peace cannot be divided, so the security of Europe cannot be split into north and south. The three countries Li will visit are strategically important to this security, and play an irreplaceable role in easing tension and safeguarding peace on the continent. They have done their best to maintain this role.

Spain and Malta are Mediterranean countries, and want to see Mediterranean affairs handled locally. Many nations, China included, support this view. Not long ago a regional conference attended by foreign ministers of non-aligned Mediterranean members was held in Malta to seek a plan for common security. China wishes to see global and regional tensions relaxed, and supports any efforts to achieve this.

All three states Li will visit devote much attention to developing their relations with China and hope to expand co-operation, especially economically. China also hopes relations will become closer.

Despite its vast territory, abundant resources and large population, China is an economically underdeveloped country. To maintain the progress of its modernization, China must not only keep its door wide open but also must

actively establish closer ties with the international market and develop far-reaching economic and technological co-operation projects with other countries.

International economic exchange and mutual understanding and friendship among nations are an enormous help in stabilizing the international situation and defending world peace. Peace and development are closely interrelated. No people want to see their development arrested by conflict.

The three countries Li will visit are also currently developing or reconstructing their economies. Malta gained its independence in 1964, and the two Iberian nations lag behind the rest of Western Europe for various historical reasons. It is this gap which has kept Spain and Portugal waiting six years to join the European Economic Community (EEC). Only recently has their admittance begun to seem likely.

In spite of the problems in negotiations, King Juan Carlos of Spain said, "As a component part of Europe, Spain cannot keep remaining outside of the integration movement on the continent."

The Portuguese Government has also reaffirmed its determination to "work for a more united, consolidated and powerful Europe."

Given the current international climate, it is completely understandable that the two Iberian nations wish to join the EEC and advocate European unity. China supports this push for unification, because it is in the interests of world peace.

Sitting on the southern tip of Europe and facing Africa across the sea, Spain and Portugal have

historically been related to Africa, the Islamic world and even to distant America and Asia. This has helped them better understand the problems of the third world. While building ties with the West, Spain has frequently been involved in Latin American diplomacy, and Portugal in African diplomatic efforts. They have both helped bring about dialogue and co-operation between the North and the South. Increasingly, they are expanding their economic and trade ties with third world countries on the basis of equality and mutual benefit.

China upholds the Five Principles of Peaceful Coexistence and believes that if they are universally applied amicable relations between countries will be established, the international situation will be stabilized and world peace safeguarded.

China attaches great importance to North-South dialogue. It views better economic and technological ties with all other countries, whether large or small, as equally important. Fruitful co-operation between China and the island state of Malta is a good example.

Although China and the countries Li will visit are thousands of kilometres apart, the traditional friendship and the common pursuit of peace and development connect them all closely. On many international issues China holds similar views as its South European friends. Through Li's visit, mutual friendship will deepen, and a fine new chapter will be written in the history of their bilateral relations.

Appreciate Rewi Alley's Articles

We are writing to you to express our appreciation of the article by Rewi Alley in *Beijing Review* No. 37. With his brilliant and skilful combination of poetry and prose, that great old friend of China has painted a picture of the Chinese people's misery under Kuomintang rule and the gradual but marvellous improvement of the conditions since the final triumph of the revolution in 1949.

In 1974 we visited China and were very lucky to meet Rewi Alley at his home. We were very happy to have a long talk with him.

We have been getting *Beijing Review* for many years, and because of our love of China, we find it most interesting and helpful to keep in touch with events in your country.

M. and F. Masson
Victoria, Australia

More Theoretical Articles

This year *Beijing Review* has become more attractive, with its increased use of photos and its new colour cover. In my opinion, the monthly *People's China* (only in Japanese) is quite enough for the average Japanese reader. You should make efforts to make your weekly a theoretical magazine, because in recent years various economic reforms have taken place in China. And with the reforms, many questions emerged. They should be answered in theory.

The article "Sino-British Agreement—A Landmark" by Huan Xiang (issue No. 41) said, "Theoretically speaking, socialism is a fairly long period of transition. During this historical period, a developing country such as China

must allow the existence of various economic forms. This is a historical reality we cannot ignore." According to that theory, can we interpret it like this: So long as socialism exists in China, capitalist economic forms in the special economic zones are inevitable? If not so, what forms will China employ to transform the capitalist economy or enterprises in the special economic zones?

All these questions are of great interest to the average foreign readers, entrepreneurs and people who study China. So I hope your weekly publishes a series of special reports dealing with the open policy theoretically.

Shinji Hayashi
Tianjin, China

Art and Photography

I would like to see Chinese art in your magazine, especially works of social and political realism. I am a photographer, but I don't believe that an international magazine needs to emphasize only photography. I believe that Chinese artists would like to see their art displayed internationally through your magazine.

I like your contents because they educate me politically and give me a clear understanding of China's socialist politics and reality.

I would like to see more articles on Chinese herbs and medicine and on the struggles in the third world against the two superpowers.

Your layout is simple. Please keep it that way. Your photos could use some borders or frames.

Der Czarza
California, USA

Wishes of Old People

I read your article "The Five

Wishes of Old People" in No. 29. The five wishes of China's old people are matters of common concern to old people all over the world, including those of Japan. However, until now we have achieved little. As a result we are especially interested in how you solve this problem in your country. Please carry articles on this subject in your weekly if you find some good examples.

Toshio Sato
Yamagata, Japan

Sino-Japanese "21st Century Commission"

It is encouraging to see the smooth development of Sino-Japanese friendship—General Secretary Hu Yaobang visited Japan and our Prime Minister paid a return visit to China. Our friendly ties are guided by the four principles of "peace and friendship, mutual benefit, mutual trust and long-term stability."

It is a joyous thing that our two countries held negotiations based on these four principles. Also, we should continue our efforts to establish stronger and more mature friendly ties. I'm sure our understanding won't waver as long as we insist on the confident exchange of views in our bilateral relations, although "quarrels" between us might occur in the future.

Therefore, I feel it is essential to strengthen our understanding of each other. Exchanges between the young people of our two countries are of vital significance. On this side, I'm sure the "21st Century Commission" will become the mainstay of Sino-Japanese friendship in the days ahead.

Yoshikazu Konishi
Yokohama, Japan

Deng Urges Army to Support Reforms

Deng Xiaoping, Chairman of the Central Military Commission, said the current economic reform has progressed more smoothly and faster than expected. With the reform's success, China will certainly be able to fulfil or even surpass the target of quadrupling its annual output of industrial and agricultural production by the year 2000, he predicted.

Deng made this statement on Nov. 1 at a forum sponsored by the Central Military Commission in Beijing. He urged the army to march in stride with the nation's economic reforms.

It is the army's duty to take an active part in the construction of the country, he continued.

The air force, navy and the commission in charge of national defence technology should devote some of their resources to the development of the national economy, he said.

In an effort to increase the country's port capacity, Deng said, several navy harbours should be opened for non-military uses. Others, he added, might be turned over entirely to civilian use.

The air force should divert some resources to civil purposes in order to improve civil aviation, he said.

The national defence industry should also turn out more civilian products, he added.

Deng praised the achievements of the national defence industry, adding that its capability should be fully tapped in order to realize the economic targets set by the modernization programme ahead of schedule.

He also said it will be easier to

build the national defence once the country's economy has developed.

He said that army-trained technicians are welcomed by local governments when they conclude their military service. They can contribute their technical know-how to local economic development.

Deng also called for more outstanding young and middle-aged officers to be promoted to top posts in the army.

Economic Signposts Look Encouraging

China's national economy experienced across-the-board growth in the first nine months of this year. The financial and economic situation is looking better in all aspects.

By the end of September, the total industrial output value had increased 12.5 per cent over the corresponding period last year. The crude oil output, which has remained at 100 million tons for six consecutive years, is expected to reach 110 million tons this year. At the same time, all types of enterprises have reported rapid growth in their industrial production due to the reforms of the economic structure. In the first three quarters of this year, the industrial output value of collectively owned enterprises went up by 19.1 per cent.

Thanks to the improvement of the rural responsibility system, the popularization of agricultural science and technology and good weather, the grain output this year is expected to reach 400 million tons, 12.5 million tons more than that of last year. The cotton output is expected to total 5.5 million

Although the average age of officers below the corps level has dropped in the past two years, Deng said, the aging of top army leaders remains a problem.

To remedy this, he said, older officers must give way to younger and more competent ones.

Promoting younger people, he added, is a high priority.

"I hope to see more open-minded people in the army," he said.

tons, 20 per cent more than in 1983.

Retail sales of consumer goods in the first nine months of 1984 increased 13.3 per cent over the same period last year, which was a record year. Most goods that were rationed in the past are now being bought freely by consumers.

Foreign trade also registered marked development in this period. The total value of foreign trade increased 20 per cent over the same period last year, and China continues to enjoy a favourable trade balance.

Revenues in the first nine months of this year increased by a wide margin. In the past few years, revenues decreased because a large amount of reinvestment was required to solve problems that had remained for many years. The situation started to turn better in 1982. Revenues in 1982 were up 300 million yuan over 1978. Revenues in 1983 increased by 12 billion yuan over the year before. The situation in the first nine months of this year is also encouraging, as revenues were up 20 per

cent over the same period last year, more than the total increase in 1983.

Growth was also registered in exports and imports, foreign investment and construction of special economic zones. By the end of September, China had received 9.04 million tourists from Hong-kong, Macao and foreign countries, 28.7 per cent over the same period last year.

CAAC Expecting Major Reshuffle

China will set up two international airline companies, three domestic flight companies and a helicopter service, Shen Tu, director general of the Civil Aviation Administration of China (CAAC), announced at a recent meeting marking CAAC's 35th anniversary.

This is part of a major reform which will eventually turn CAAC into a State Council department in charge of general civil aviation affairs. For the past 35 years CAAC has also had a monopoly of China's domestic and international flights. The new companies will be given a free hand in running their own businesses.

The international companies are Air China and China Eastern Airways. The domestic airlines are China Southern Airways, China Southwestern Airways, China Capital Helicopter Company, and one company still to be named.

The Beijing-based Air China will offer international flights and domestic service on major routes. China Eastern Airways, based in Shanghai, will begin with a few domestic routes, to pave the way for future worldwide operations. Once it goes international, its domestic operations will be taken over by a new home airline.

Both China Southern Airways, whose headquarters will be in Guangzhou, and China Southwestern Airways, based in Chengdu, will mainly offer domestic service, supplemented by some international flights.

Air China, China Eastern Airways and China Southern Airways are to be formed in the first half of 1985.

Remote provinces and autonomous regions may organize their own airlines, Shen Tu said. He said the government encouraged local authorities to buy aircraft and build airports and service facilities, or to set up joint airlines.

China's first local airline company, Xiamen Airways, was established earlier this year.

Peasants Become Rural Workers

With advances in agriculture, more and more Chinese peasants are leaving farming to become workers in towns and cities. People have recognized this trend as irreversible and hailed it as "historic progress."

The family transportation team formed by peasant Liu Jinfu (first from left) in Yichuan County, Henan Province.



Wuxi County, just west of Shanghai, is densely populated but has little farmland. After the contract responsibility system was introduced in 1979, more than 100,000 people became unneeded peasants. But none of them wanted to stay idle. They joined various enterprises in nearby towns and soon became very active. The county, once famous for its prosperity from rice-growing and fish-breeding, has now gained new fame for its flourishing rural small enterprises.

In 1983 there were 2,500 such enterprises in the county, with an annual output value reaching 1.28 million yuan, accounting for 62.8 per cent of the county's industrial and agricultural output value. Now there are 210,000 people working in them, making up 40 per cent of the rural labour force.

In Dingxiang County in Shanxi Province, commodity production has rapidly expanded, according to local conditions. Smithing, building materials and construction, transportation and the service trades are now flourishing. Of the total peasant labour force, 60.5 per cent no longer make their living by farming. The average per-capita rural income rose from less

than 100 yuan in 1978 to about 500 yuan in 1984, showing the dramatic benefits of increased commerce and industry.

Small rural enterprises are encouraged by the Chinese Government. There are now more than 740,000 of them employing about 32 million people—10 per cent of China's rural labour force.

Most of the new workers are young. They work in nearby town factories not far from home. China has thus avoided the mass migration into the cities. A few do work in the cities on temporary contracts, but they are not urban residents.

According to statistics from the Ministry of Urban and Rural Construction and Environmental Protection, 4.8 million Chinese peasants are now working in the building industry. Some of them build houses locally, but about 3 million work under contracts in urban and mining areas. These contract workers retain their identity as peasants, and do not move their families around with.

But China also has 60,000 towns below the county level, and many peasants who have left farming and flocked to towns want to change their rural residence registration into an urban one. In view of this, the State Council issued a circular in mid-October urging governments at all levels to provide every convenience for peasants who are able to establish or manage their own town businesses, and to issue urban residence registration for them promptly.

Two Former Models Try New Contracts

The peasants of Dazhai and Xiaojinzhuang, two "model" villages during the 10-year turmoil of the "cultural revolution," think



Dazhai villagers working on their contracted plot of maize.

the Party's current rural policies are the best since the early 1950s.

In 1975 Xiaojinzhuang in Tianjin was designated a "Leftist" model by Jiang Qing—a member of the gang of four. In 1983 Xiaojinzhuang tried out the contracted responsibility system. The 1975 harvest was blessed with good weather, and Xiaojinzhuang's peasants turned in 96,000 yuan worth of grain, 150 yuan per capita on average. The 1983 harvest suffered from a severe drought, yet the peasants turned in 330,600 yuan to average 508 yuan each.

In 1975 each of Xiaojinzhuang's 630 villagers netted 120 yuan and there were less than 200 houses in the village. In 1983 per-capita income was 657 yuan and 650 villagers lived in 500 new houses. Now each household has a little courtyard, each with running water. This year the per-capita net income is estimated to reach 790 yuan, a fairly good income for Chinese peasants.

Dazhai had been infamous for its poverty in Shanxi Province. In the 1960s Dazhai's villagers braved all sorts of difficulties and hardships to improve their living standards, winning the hearts of the public at the time. But during

the "cultural revolution," Dazhai was chosen as the guinea pig for the "Left" rural policies, causing great harm to the villagers.

Last year, the village took on a new look as it began implementing the contract system. Grain output rose to 500,000 kg, compared with 325,000 kg in 1982. Revenue increased from 210,000 yuan to 437,000 yuan.

In the past, those with so-called advanced experience looked upon commodity production as capitalist and banned it altogether. Now developing commodity production has become important to the villagers. In 1983 many of Dazhai's male workers participated in coal mining, transportation, chicken breeding, soy sauce and vinegar brewing and orchard tending. Dazhai turned in 330,000 yuan worth of grain and other sideline produce, averaging 644 yuan each peasant.

Jia Jincui and his wife Song Liying are a good example. Jia had served on the village Party committee during the "cultural revolution." Although his children now work away from home, the Jia family harvested 1,700 kg of grain and netted 1,500 yuan, which is just below the average

for the village. The Jias said, "We were the most hard-working in the past, but we never earned such a big income."

Peasants Invest To Restore Park

Recently the peasants in Beijing's western Haidian District donated 500,000 yuan to assist a government project to restore the Qing Dynasty (1644-1911) park, the Yuanmingyuan, burned down by Anglo-French joint forces during their invasion of Beijing in 1860. The park is in Haidian.

The peasants have established a joint venture with the Haidian district government. The Development and Construction Company for a Park at the Site of the Yuanmingyuan will use the investment from both partners to build part of the park, now all in ruins, into a tourist area. The Pengdao Yaotai (Fairy Isle and Jade Terrace), which was a favourite place of Qing emperors, will be restored to its former splendour. The 28-hectare Fuhai Lake (Sea of Happiness) will be dredged. A 2,500-metre-long lakeside paved promenade and seven bridges will be built. The hills and rockeries will be restored, complete with lush lawns and service facilities.

In two years, Yuanmingyuan's tourist area will cover 200 hectares. As a reward for their contributions, the peasant investors will be allowed to run businesses in the park.

The Yuanmingyuan is actually a combination of three separate parks—the Yuanmingyuan (Park of Perfection and Brightness), the Changchunyuan (Park of Everlasting Spring) and the Wanchunyuan (Park of Ten Thousand Springs).

Construction of the park began in 1709, during the reign of Em-

peror Kangxi, and was completed 63 years later, in 1772, during the reign of Emperor Qianlong. The Yuanmingyuan was known as the "ultimate park," for its unparalleled size and grandeur.

Overseas Patriot's Birthday Marked

A meeting to commemorate the 110th birthday of Chen Jiageng (also known as Tan Kah-kee, 1874-1961), a noted patriotic overseas Chinese, was attended by more than 1,000 people in Beijing on Oct. 21.

Chen Jiageng, born in Jimei village in Xiamen city, Fujian Province, went to Singapore in 1900 and later became a well-known rubber industrialist. He supported Sun Yat-sen's revolutionary activities and then the Chinese people's anti-Japanese war and their struggle for liberation.

Beginning in 1913, Chen began saving funds to establish a "Jimei School Village." It eventually came to include kindergartens, primary, junior and senior middle schools, secondary vocational schools and colleges. In 1921, he founded Xiamen University.

Altogether Chen donated funds equivalent to 150 million yuan to set up educational facilities during his life, according to Zhuang Mingli, Vice-Chairman of the All-China Federation of Returned Overseas Chinese. In his will, he bequeathed the several million yuan he had left to education and other public welfare projects.

After the founding of New China, Chen was elected a council member of the Central People's Government, a member of the Standing Committee of the National People's Congress, Vice-Chairman of the National Committee of the Chinese People's Political Con-

sultative Conference (CPPCC) and Chairman of the All-China Federation of Returned Overseas Chinese.

Chairman Mao Zedong once praised Chen as "a brilliant banner for overseas Chinese, a shining paragon of the nation."

Speaking at the meeting, Ulanhu, Vice-President of the People's Republic of China, praised Chen Jiageng for his patriotism and for his great contributions to China's liberation and to the victory of the people's revolution. He embodied the glorious tradition of all overseas Chinese loving their country and hometowns.

Ulanhu said he often discussed state affairs with Chen after the founding of New China. He recalled, "Chen was a real patriot and a real friend of the Chinese Communist Party. Chen was upright, loyal to the motherland, sincere and down-to-earth. He offered many original and constructive suggestions on state policies and principles, the work of socialist construction and affairs concerning overseas Chinese."

Ulanhu also pointed out that many patriotic overseas Chinese have supported the Chinese revolution. Their contributions are part of the annals of modern Chinese history.

On his death-bed, Chen said, "Taiwan must return to China." Zhang Guoji, the current Chairman of the All-China Federation of Returned Overseas Chinese, said he hoped that all overseas Chinese and their relatives will carry forward Chen's will, continue the tradition of patriotism, strengthen ties with compatriots across the Taiwan Straits and thus promote the reunification of the motherland.

Sponsored by the CPPCC National Committee, the commemorative meeting was also attended by Party and state leaders.



Chairman Deng Xiaoping meets President U San Yu.

Burma's President Makes China Visit

"Paukphaw," a Burmese word for friendship, was reinforced by Burmese President U San Yu's recent visit to China.

"Paukphaw," in Chinese Premier Zhao Ziyang's words, is a special kind of friendship which exists between China and its neighbour to the south, Burma. For the past 30 years the two countries have cultivated peaceful relations and leaders have frequently exchanged visits.

President U San Yu and his wife arrived in Beijing Oct. 29 for an official visit at the invitation of Chinese President Li Xiannian. During the visit he met with Chinese leaders Deng Xiaoping, Hu Yaobang, Li Xiannian, Zhao Ziyang and Deng Yingchao.

The visit continues the history of frequent contact that leaders of the two countries maintained in the past. China's late Premier Zhou Enlai visited Burma nine times and U Ne Win, Chairman of Burma's ruling Socialist Programme Party, has travelled to China 11 times. Deng Xiaoping, Chairman of the CPC Central Advisory Commission, and Premier Zhao Ziyang have also made state visits to Burma.

The recent visit by U San Yu was his first official state visit, though he did attend a 1960 signing ceremony in China for the Sino-Burmese boundary treaty.

"President U San Yu's visit to China will open a new chapter in the two countries' friendly co-operation," said a Burmese newspaper. For 30 years the two countries have followed the Five Principles of Peaceful Coexistence in dealing with international affairs.

Leaders of both nations restated their belief that if all countries in the world observed these principles, they would live in harmony and world peace would be safeguarded.

During an Oct. 31 meeting, Chairman Deng Xiaoping said that peaceful coexistence can even be a good means of settling a country's internal problems. Deng noted, "We have put forward the 'one country, two systems' concept, and this, too, is a form of peaceful coexistence." Deng was referring to the agreement on the future of Hongkong.

During an Oct. 29 meeting, President Li Xiannian praised the Burmese people's great achieve-

ments in industry and agriculture. Over the past 10 years, the Burmese Government has instituted a series of policies that have boosted development of the economy. Burma, a country which in the past was considered backward, is attracting worldwide attention for its economic gains.

During U San Yu's Oct. 30 meeting with Zhao Ziyang, he stressed that Burma follows an independent and positive foreign policy. He said his nation strongly disapproves of invasions and foreign interference. He said that Burma is opposed to Viet Nam's aggression in Kampuchea and Afghanistan's occupation by Soviet troops. "We advocate that foreign troops should withdraw from these two countries and the Kampuchean and Afghan peoples should be allowed to decide their own destiny and choose their own leaders," the Burmese president added.

Leaders of both China and Burma expressed satisfaction with the development of their friendly relations. "Friendship is very important for the Chinese and Burmese peoples," said Deng Yingchao, Chairman of the National Committee of the Chinese People's Political Consultative Conference.

China and Burma first formed friendly contacts in ancient times. Since the independence of Burma and the liberation of China, their friendship has developed further. Hu Yaobang, General Secretary of the Chinese Communist Party Central Committee, said the ties "will be further developed from one generation to the next."

Ties Set With Arab Emirates

China and the United Arab Emirates established formal diplomatic relations on Nov. 1.

A joint communique issued to announce the event said, "Out of

a common desire to strengthen and develop friendly relations and co-operation between the two countries, the Government of the People's Republic of China and the Government of the United Arab Emirates have decided to establish diplomatic relations between the two countries at the ambassadorial level beginning Nov. 1, 1984."

The relations were established on the basis of the Five Principles of Peaceful Coexistence. They contribute to further friendship, contact, mutual support and co-operation between China and the United Arab Emirates.

Condolences Sent On Gandhi's Death

Premier Zhao Ziyang said on Nov. 1 that the death of Indian Prime Minister Indira Gandhi was "a great loss to the Indian people, the non-aligned movement and the cause of world peace."

Zhao made the statement at the Indian Embassy in Beijing when he was, on behalf of the Chinese Government, extending condolences to the ambassador on the death of Mrs. Gandhi, who was assassinated Oct. 31.

Zhao paid tribute to Gandhi for her efforts to improve Sino-Indian relations. He told Indian Ambassador A. P. Venkateswaran that China hopes both sides will make efforts to keep the momentum going so that ties can be restored to the friendly level of the 1950s.

President Li Xiannian and Premier Zhao sent a condolence message to Indian President Zail Singh, mourning the death of Gandhi.

On the same day Prime Minister Gandhi was shot and died during emergency surgery. Rajiv Gandhi, her elder son, was sworn in by President Singh to succeed his mother as prime minister. Premier Zhao congratulated Rajiv on his assumption of office.

The Chinese Government dispatched Vice-Premier Yao Yilin as a special envoy to attend Gandhi's funeral in New Delhi. He was accompanied by Vice-Foreign Minister Yao Guang and other government representatives.

Prime Minister Rajiv Gandhi received Vice-Premier Yao on Nov. 4. Yao told Rajiv that China sincerely hopes Sino-Indian relations improve and are restored to what they were in the 1950s.

Rajiv stated that his government will continue to follow its past policies. He said he shares Yao's hopes for better relations. He also accepted Zhao Ziyang's invitation to visit China.

Mutual Wish for Sino-Soviet Ties

China and the Soviet Union both wish to improve bilateral relations and expand economic and cultural exchanges, according to a press communique issued in Beijing on Nov. 3.

The communique, issued by the Chinese Foreign Ministry as Soviet negotiator L.F. Ilyichev was leaving for home, says that the fifth round of Sino-Soviet consultations was held from Oct. 18 to Nov. 2, 1984 in Beijing. Qian Qichen, special envoy of the Chinese Government and Vice-Foreign Minister, and L.F. Ilyichev, Soviet Vice-Foreign Minister, continued to exchange views on normalizing Sino-Soviet relations.

The communique says that each side set forth its position on normalizing relations. Both sides expressed the desire to improve Sino-Soviet relations and the willingness to further expand contacts and exchanges between the two countries in economics, trade, science, technology, culture, sports and other fields on the basis of equality and mutual benefit.

The consultations proceeded in a frank, calm and earnest atmos-

phere. Both sides considered consultations and dialogues useful and decided that the next round of consultations will be held in April 1985 in Moscow, the communique said.

276,000 Refugees Settled in China

China has spent more than one billion yuan (US\$400 million) to resettle 276,000 Indochinese refugees admitted to the country since 1977, said Ji Hua, deputy director of the Indochinese Refugee Resettlement Office. Most of the refugees came from Viet Nam in 1978.

Ji briefed foreign correspondents from seven countries on the first day of their visit to three refugee settlements in Guangdong Province and the Guangxi Zhuang Autonomous Region Oct. 25-29. The visit was sponsored by the United Nations High Commissioner for Refugees (UNHCR).

Ji reported that since 1979 China has received more than US\$45 million in aid from the UNHCR to help improve the refugees' living conditions. She expressed appreciation to the United Nations Commission for its help and co-operation.

Also present at the meeting with the reporters were UNHCR official Alexander Casella and C.J. Carpenter, who heads the UNHCR office in Beijing.

Carpenter noted that China has accepted large numbers of Indochinese refugees from Viet Nam and, in addition, has provided permanent homes for them on state farms. As a developing country, China has made an impressive contribution to the resettlement of the refugees, he said.

The refugees are now living in southern Guangdong, Guangxi, Yunnan, Fujian and Jiangxi. Most of the adult refugees have been employed on 196 local farms, fores-

try operations and fishing co-ops. Many have become factory workers, technicians, teachers and doctors, Ji said. They earn the same salaries as Chinese citizens.

At present, about 50 per cent of the refugees are able to support their families with their own wages, while the others depend on relief from the Chinese Government, Ji added.

There have been no problems with arranging primary schooling for refugee children, Ji said, but there have been some difficulties in enabling all the young refugees to go on to further studies or to get jobs after graduation.

Each resettlement area has a clinic or hospital, but they are not sufficiently equipped to deal with serious illnesses or injuries.

The Indochinese refugees in China hope to improve their living standards with more financial help from international organizations and through their own work, Ji said.

Assistant Foreign Minister Qi Huaiyuan told UNHCR officials and correspondents on Oct. 30 that China will continue to provide good care for the Indochinese refugees who have resettled in China. But, he added, it is very difficult for China to accept more refugees in view of its present financial capabilities.

US Court Upholds China's Immunity

United States District Judge U.W. Clemon last month dismissed a lawsuit involving the so-called Huguang Railways bearer bonds by saying that US courts have no jurisdiction in the case.

The Huguang Railways bearer bonds were issued by China's last Qing Dynasty government in 1911. In 1979 nine American bondholders filed a suit against the Chinese Government, demanding re-

payment of the principal and interest of the bonds. A US district court in Alabama made a "default judgment" in September 1982, and asked the Chinese Government to pay the plaintiffs more than US\$41.3 million.

The Chinese Government on a number of occasions made it clear to the US Government that it firmly rejected the judgment because China is entitled to sovereign immunity, an important principle of international law.

The earlier default ruling was set aside by a US district court earlier this year. And, after holding a hearing on Sept. 15 on the question of whether a US district court has jurisdiction over a foreign government, Clemon reportedly decided to dismiss the lawsuit.

The case was brought under the Foreign Sovereign Immunities Act of 1976, but, as the bond transaction took place long before the act was passed, the statute gives a judge no power to decide the claims, Judge Clemon stated.

China Supports UN Peace Forces

"In this most turbulent and volatile world, there is a universal demand for strengthening the peace-keeping capability of the United Nations. The UN organization should not fail to meet such expectations."

China's deputy permanent representative to the United Nations, Ambassador Lian Yufan, made that remark last month at the UN special political committee meeting on peace-keeping operations.

The ambassador listed seven reasons for supporting peace-keeping operations during the Oct. 15 meeting:

1) The UN peace-keeping operations are in conformity with the

principles contained in the UN Charter and such operations constitute an effective means of preserving international peace and security.

2) Peace-keeping operations can only be conducted at the request of or with the consent of the country concerned and with full respect for its independence, sovereignty and territorial integrity.

3) Countries or parties concerned should co-operate with peace-keeping operations and make use of the time gained and favourable conditions created from such operations to seek political settlements of the issues in question as quickly as possible.

4) Each peace-keeping operation must have a clearly defined mandate, and no country or party should take advantage of peace-keeping operations for selfish interests or to interfere in the internal affairs of other countries.

5) It is within the competence of the UN Security Council to authorize peace-keeping operations. In maintaining international peace and security, the Security Council, General Assembly and Secretary-General should assume their respective responsibilities, as provided for by the relevant provisions of the UN Charter.

6) The costs of peace-keeping operations should be borne by the member states as apportioned on the merit of each case in accordance with the principle of fair and rational sharing of expenses, or covered by voluntary contributions or financing from the countries concerned.

7) For the purpose of strengthening the UN peace-keeping operations, it is necessary both to formulate guidelines and to take practical measures. The special committee on peace-keeping operations should improve its work in the above two aspects simultaneously.

OPEC

Producers Battle Oil Price Cuts

by ZHANG ZHENYA

OIL ministers of the Organization of the Petroleum Exporting Countries (OPEC) met in Geneva Oct. 29 to review the world oil market and adopted new measures to counter the recent oil price cuts by Norway, Britain and Nigeria.

A decision to lower the OPEC oil production ceiling of 17.5 million barrels to 16 million barrels a day was made at the special session attended by the 13 OPEC members and observers from non-OPEC nations Mexico and Egypt. The agreement to reduce oil production is an effort to defend the official benchmark price of US\$29 per barrel for top-quality light crude oil.

Since the beginning of this year, spot oil prices have gradually dropped because the supply on the international oil market has exceeded demand. Contract customers who buy large quantities of oil from OPEC members have become dissatisfied with the growing gap between the spot oil prices and the contract price. As a result, these countries have begun to demand a price reduction.

Norway, a non-OPEC country, cut its oil price for contract customers by US\$1.50 a barrel on Oct. 15. Britain followed suit and brought its oil price down by US\$1.35 per barrel on Oct. 17. Facing the excess supply, OPEC member Nigeria lowered its oil price from US\$30 to US\$28 the following day. The moves directly

threatened the OPEC benchmark price of US\$29 per barrel established at the London conference in March 1983.

Six OPEC countries reacted to the mid-October price cuts by holding an emergency meeting in Geneva on Oct. 22. Saudi Arabia, OPEC's biggest oil-producer, proposed a plan to stabilize prices by cutting production. The proposal was welcomed by the other members. Non-member oil producers Mexico and Egypt, who sent delegates to the meeting, decided to co-operate with OPEC on the production cuts. According to the proposal, the producers would cut oil output between one and three million barrels a day, half of which would be absorbed by Saudi Arabia.

Although the economic situation in the capitalist world has shown a slight upturn, oil consumption has risen slowly. The reason is that all the major capitalist countries have made remarkable progress in finding alternate energy sources and have been successful in energy conservation efforts instituted after the price of oil skyrocketed in the 1970s. The average rate of increase for oil consumption in the world market was 7 per cent in the 1960s, but in the 1970s it dropped to 1.1 per cent. Last year oil consumption in the United States, Western Europe and Japan, the world's major oil consumers, was much lower than in 1979 and even below the 1973 level. Oil imports in the United States were down 10 per cent

below 1983 in the first nine months of this year. Meanwhile, many new oilfields, including the North Sea oilfield, have been exploited in Britain, Malaysia, India and Egypt. The Soviet Union has also exported large quantities of oil to the Western countries.

As a result, the OPEC members have been forced to deal with an oil glut. Their share of the world's total oil output dropped from 47 per cent in 1979 to 31 per cent in 1983.

The soaring US dollar on the world market has also caused a headache for the OPEC members. Since the values of the Japanese yen and West European currencies are much lower than the US dollar, and OPEC oil imports in Japan and other West European countries are pegged to the US dollar, the oil prices are actually much higher for those countries paying in their own currencies.

However, neither oil-producing countries nor oil consumers expect a remarkable drop in oil prices. Having incurred heavy debts, many countries—including Algeria, Ecuador, Egypt, Indonesia, Malaysia, Mexico, Nigeria and Venezuela—are eager for an increase in production quotas and stable oil prices, so they can raise their oil earnings to pay off their debts. The total foreign debt of these countries is in excess of US\$250 billion. If the debtor nations were to go bankrupt, it would bring great harm to Western financial circles.

The Oct. 29 special meeting in Geneva indicates that the OPEC member countries can overcome their difficulties through common efforts and by co-ordinating their actions.

Contadora Proposal Wins Support

by LAN CAIJI

THE Contadora Group's efforts to find a peaceful solution to the problems of Central America won praise from representatives of 62 countries and regions during the recent United Nations General Assembly debate on the region.

To support the Contadora aims, the UN General Assembly adopted a resolution urging each of the five Central American governments to step up consultations with the Contadora Group and to sign the Contadora Act on Peace and Co-operation in Central America. The international appeal for peace will undoubtedly help bring stability to the war-torn region.

The Contadora Group began to draft its Central American peace proposal earlier this year. During the draft process, four members of the Contadora Group — Panama, Colombia, Mexico and Venezuela — repeatedly consulted with the five Central American countries — Nicaragua, El Salvador, Guatemala, Honduras and Costa Rica. After the initial draft was completed in early June, the Contadora Group again asked the five governments to make comments on the draft and suggest revisions. On Sept. 7 the foreign ministers of the Contadora Group met with their counterparts from the five Central American countries to formally present the revised version. They asked the Central American leaders to take a position on the peace plan before Oct. 15, so it could be signed quickly.

At first, the Central American governments responded positively. Nicaragua's leaders announced their complete acceptance of the document with no revisions. Leaders in El Salvador, Honduras,

Costa Rica and Guatemala indicated that they accepted the proposal in principle. However, just before the crucial moment when the document was to be signed, the situation changed. Some Central American governments began to issue different opinions about the document. Honduras and El Salvador called for revisions in the process for monitoring the peace treaty. On the questions of disarmament and withdrawal of foreign military advisors, the

Salvadoran Government called for effective international supervision and assurances that anti-government Salvadoran guerrillas will no longer get support from Nicaragua. Costa Rica announced that some prudent revisions in the document were needed and called for another meeting of the foreign ministers to discuss changes. Nicaragua's leaders conceded a need for some polishing, but contended that substantial or fundamental revisions were unwarranted. Nicaragua urged all the countries concerned to sign it without delay. But because of the differing opinions on the document, its signing was postponed.

Viet Nam Pullout Demanded by UN

THE United Nations General Assembly has adopted a resolution calling for a comprehensive political solution to the Kampuchean problem that will provide for the withdrawal of all foreign troops and ensure that the Kampuchean people will be able to govern themselves free from outside interference.

The Oct. 30 vote on the resolution sponsored by the Association of Southeast Asia Nations (ASEAN) members was 110 to 22, with 18 representatives abstaining. Viet Nam and the Soviet Union were among those voting against the resolution.

In the resolution, the General Assembly "reiterates its conviction that the withdrawal of all foreign forces from Kampuchea, the restoration and preservation of its independence, sovereignty and territorial integrity, the right of the Kampuchean people to determine their own destiny and the commitment by all states to non-interference and non-intervention in the internal

affairs of Kampuchea are the principal components of any just and lasting resolution of the Kampuchean problem."

Kampuchea resolutions have been adopted in the past six sessions of the General Assembly and the support for the Kampuchean people has increased from 91 votes in 1979 to 110 in this session. At first only some 20 representatives had asked to speak at the two-day debate on the situation, but finally it turned out that nearly 40 spoke and condemned Viet Nam's occupation of Kampuchea. And the Hanoi representative, overwhelmed by the powerful wave of protest, did not take the rostrum.

Vietnamese troops must be withdrawn from Kampuchea. People all over the world are working to ease the tense international situation and improve relations. The Vietnamese authorities who adhere to aggressive policies will meet more condemnations and will find themselves more isolated in the world community.

The document's twists and turns had much to do with foreign interference. Since the publication of the revised Contadora draft, the United States has been cool to the proposal. Western analysts believe the United States has demanded amendments because certain articles of the present document would hamper US Central American policy. The draft document stipulates clearly that foreign powers are forbidden to ship armaments and military personnel into Central America. This will force the United States to halt its present military intervention. It would force the US Government to stop providing military aid to some countries, establishing military schools in the region and supporting the anti-government armed rebels in Nicaragua. If the United States abides by the draft treaty, its Central American policy would be disrupted. As a result,

Japan

Nakasone Re-elected Party Chief

by ZHANG JINSHAN

YASUHIRO Nakasone, the sole candidate for party leader, was formally re-elected President of Japan's ruling Liberal Democratic Party (LDP) for another two-year term at a meeting of the party's Diet members on Oct. 31. After the other LDP leaders were elected, Prime Minister Nakasone set up a new cabinet.

The list of candidacy for the party presidency, which was made public on Oct. 29, resulted from consultations among the chief party power-brokers. The Zenko Suzuki, Takeo Fukuda and Toshio Komoto factions of LDP insisted on the consultations in order to avoid calling a primary election, which would have forced them to directly measure their strength against Nakasone, who is supported by the powerful Kakuei Tanaka

while the United States has expressed its support for the Contadora Group's peace efforts, it has constantly found fault with the draft peace proposal.

During the debates at the UN General Assembly on Oct. 25 and 26, many representatives called for an end to foreign interference in Central America. Chinese permanent representative Ling Qing noted the peace proposal worked out by the Contadora Group contains a series of important measures that might solve Central America's problems. He expressed hope that the countries concerned will support the Contadora Group and fulfil their obligation of keeping peace and stability in the region.

Faced with the recent road-blocks, the Contadora Group members reaffirmed that they will continue their efforts to resolve the crisis in Central America.

faction. The three factions tried to criticize Nakasone for his failure to make good on his promise to remove Tanaka's influence and establish the unity of the party system. They also attempted to weaken Nakasone's political position so he would be forced to give them important seats in the new party leadership and cabinet. The Tanaka and Nakasone factions agreed to give ground to the three other factions on the condition that they back Nakasone for a second term.

During the consultations from Oct. 23 to 28, the Suzuki, Fukuda and Komoto factions mounted strong attacks on Nakasone's political stances and his management of party affairs. They even tried to choose Susumu Nikaido (of the Tanaka faction) as the candidate for the LDP presidency in an attempt to destroy the solidarity of

the Tanaka and Nakasone factions and disrupt the unity of the Tanaka faction, throwing an obstacle in the path of Nakasone's re-election.

The heads of the largest factions finally agreed to support Nakasone's re-election because Susumu Nikaido had no intention of seeking the office and Nakasone made an in-depth self-examination.

The Suzuki, Fukuda and Komoto factions compromised because they realized that if they failed — they would certainly fail — in a battle with the Tanaka and Nakasone factions, they might lose power both within and outside the party and jeopardize their future chances to win the LDP presidency. They would also lose bargaining chips with Nakasone in demanding seats in the new party leadership and cabinet.

Nakasone is the first prime minister to serve second two-year term since Eisaku Sato, who held the post between 1964 and 1972. Nakasone owes his success to three factors:

- First, Nakasone is supported by the Tanaka faction, which has 118 of the party's Diet members (about 30 per cent of the LDP's Diet members).

- Second, Nakasone has no rival in the party powerful enough to challenge him. Kiichi Miyazawa (of the Suzuki faction), Shintaro Abe (of the Fukuda faction) and Toshio Komoto (of the Komoto faction) tried to contest the post, but they all dropped out of the race because of their weak qualifications and powerless factions.

- Third, in his first two-year term, Nakasone had some successes in economic, domestic and foreign affairs, and he has been supported by the financial groups. According to a recent poll, Nakasone's cabinet is supported by 58 per cent of the Japanese, a support rate rarely achieved by previous cabinets.

Allies Rejuvenate Defence Union

by YAN ZHENG

FOREIGN and defence ministers of the seven Western European Union (WEU) countries last month agreed to "make better use" of the WEU in strengthening co-operation on defence policies. The ministers released their Rome Declaration at the close of their Oct. 26-27 session in the Italian capital.

The meeting of the WEU was the first joint meeting of both foreign and defence ministers since its founding by France, Britain, Belgium, the Netherlands, Luxembourg, the Federal Republic of Germany and Italy following their Paris Accord signed in October 1954. The WEU is the sole organization co-ordinating the seven nations' defence policies, but it has never functioned as a major defence co-ordinator in its 30-year history.

In the light of intensified confrontation between the United States and the Soviet Union and recent disputes between West European countries and the United States over defence issues, the WEU members have been able to see more clearly the need to strengthen their defences. As a result, some statesmen who felt Western Europe could not depend on the US for its protection for ever, began to advocate the concept of "building Western Europe into a second pillar of NATO."

Also, after the formation of their strong economic and political alliance in recent years, the West European countries see the strengthening of their defence ties as a natural follow-up towards the overall goal of establishing a complete union.

Furthermore, as Western Europe lags behind the United States in military technology and, consequently, has to buy large quantities of sophisticated US weapons for its defence, a joint West European effort in arms production will not only boost its technological development, but also change the present imbalance in the arms trade between the two sides of the Atlantic. In addition, rejuvenating the arms industry would create more job opportunities for the unemployed.

It was against this background that the union's member states—particularly France and Federal Germany, which were regarded as the union's core—began to consider rejuvenating the union.

The ministers said in the declaration that a better utilization of the WEU would not only contribute to greater security for its members, but also to the improvement of the defence of all the countries of the Atlantic alliance.

The ministers of the seven countries, which are all also member states of NATO, stressed that NATO should not become divided and pledged to keep in close contact with the non-WEU states within NATO.

In a statement outlining their plans, the ministers announced that the foreign and defence ministers of the seven countries would in the future meet twice a year, replacing a previous commitment to the WEU council that called for only foreign ministers to attend the annual meeting. When necessary, the foreign or defence ministers can meet with their counterparts.

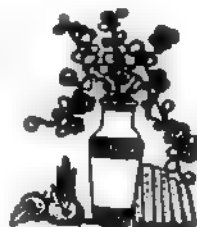
The ministers also agreed to an over-all reform of the union's

agency for the control of armaments and the standing armament committee. They said the remaining quantitative restrictions on conventional weapons are superfluous and should be entirely annulled by Jan. 1, 1986. The reformed agency and committee will take on three tasks: research possible restrictions on weapons and disarmament, security and defence, and development of armament co-operation between the West European countries.

The ministers also decided to rescind post-World War II restrictions on the production and stockpiling of conventional weapons in Federal Germany.

Observers believe the Rome meeting was an unusual conference, which delivered a message: following years of economic and political co-operation, a defence union in Western Europe is now on the agenda.

But the realistic prospects for defence co-operation within the WEU are limited. It is impossible for the seven nations to establish an independent defence community in Europe now, because they can do little to improve defence outside the structure of NATO or to escape the nuclear umbrella of the United States. So the defence union is simply a move to gain more say and a higher priority in the Western defence debate.



Trial Economic Reforms in a Big City

Chongqing in southwestern China is the first big city to try out the country's comprehensive economic reforms for urban areas. Following is a report on the major changes and initial progress in the past year. — Ed.

by **TANG ZURONG**
Our Special Correspondent

CHONGQING is the biggest industrial city in southwestern China. Sitting at the juncture of the Changjiang (Yangtze) and Jialing Rivers, it has long been a collecting and distributing centre for goods. At the end of the Qing Dynasty (1644-1911) it was opened for foreign trade. During the anti-Japanese war (1937-45), Chongqing became the temporary capital of the Kuomintang government. However, city life in Chongqing centred on commerce and an industry as backward as all the other industries in China before liberation.

After 35 years of construction, metallurgy, coal, electricity, machinery, chemicals, light industrial products, textiles, electronics and electrical meters are now produced in enough quantities in Chongqing to rank the city fifth in the nation's industrial fixed assets.

Why Reform?

Although Chongqing's industry has had great success, it is still held back by some problems in the economic system. The main ones are over-centralized management, no decision-making power for enterprises and egalitarianism in distribution, which dampens the enthusiasm of the workers and staff. Economic affairs were all handled by administrative means, slowing the development of the

forces of production and keeping economic effects low.

For example, the rolled steel needed by the Chongqing Post and Telecommunications Equipment Factory is supplied by the Chongqing No. 3 Iron and Steel Plant. Although the warehouses of the two are only four kilometres apart, steel products, under the old system, had to be transported to a warehouse several hundred kilometres away, then distributed to the Post and Telecommunications Equipment Factory after management fees were collected by the administrative department in charge. As a result, steel products which cost 700 yuan per ton finally cost 900 yuan per ton after travelling more than 500 kilometres on the Chengdu-Chongqing Railway.

Reform of this inefficient system began in October 1978. First, enterprises were given more decision-making power and allowed to retain some of their profits, instead of handing them all over to the state. Beginning in 1980, some factories began replacing profit

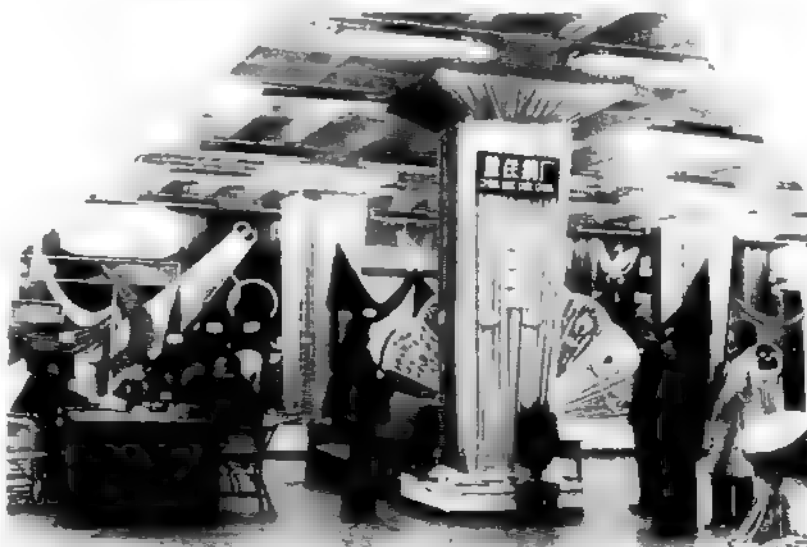
delivery with tax payments and assuming responsibility for gains and losses. Good results were achieved in those initial experiments.

Accordingly, the government has designated Chongqing an economic centre on the upper reaches of the Changjiang River so that the city will help the economic development of the southwest. The central authorities responded by granting Chongqing the economic administrative powers of a province. Its economic and social development plan is listed separately in the state plan. The enterprises formerly under the administration of 22 ministries and Sichuan Province are now under the management of the city. Chongqing can thus independently work out its economic activities in accordance with the laws governing economic development.

Commercial Changes

Commodity circulation, as the intermediate between production and consumption, plays a key role

Part of the textile exhibition hall in the trade centre.



in enlivening the economy. It has therefore been a major field in urban reform in recent years.

The first impression of present-day visitors to Chongqing is that business is brisk. Early in the morning, all kinds of local snacks are sold in the train and bus stations, at the harbour and on the streets to people on their way to work. The trade keeps up all day. Even at 10 o'clock at night, one can buy clothes, shoes, socks and other daily necessities from street stalls.

The individual peddlers and those stores run collectively have broken the state's monopoly in commerce. The bans on collective and individual businesses in cities have been lifted. By the end of 1983 there were 106,000 clothing shops, restaurants, hotels, bath houses, repair shops and stalls in Chongqing, double the number of 1982. Of them, two-thirds were run by collectives or individuals.

Under the old circulation system, state-owned wholesale shops and companies were the sole agents for factory products. Goods would reach retail shops only through the red-tape of the central authorities, the province and the city concerned. Now com-

modities are authorized for dispatch by city authorities exclusively. Retail shops are permitted to buy goods directly from any wholesale centre in China. This has quickened commodity circulation and helped factories speedily respond to changes in market demand.

This year, Chongqing built a huge new industrial trading centre. More than 30,000 products from all over the country are exhibited and sold, and about 340 local factories have their products on permanent exhibit. Individual entrepreneurs buy goods side by side with agents from the state and collective shops. Direct contact between factories and shops has improved business for both the producers and the sellers. The city is planning to set up 12 smaller trading centres in surrounding townships.

For the peasants, more than 210 bazaars and nine wholesale markets for farm and sideline products have been established, enabling peasants from 12 counties under the city's jurisdiction to sell their products in town. This year the Chongqing city government again allocated funds to build a large trading centre for farm and sideline products. Plans have been

drawn up for five similar markets in urban and rural areas, factory and mining districts and residential quarters. With a population of 13.6 million, the city's commercial business climbed to 10,000 million yuan last year. Even more is expected this year.

Foreign Trade Rights

Chongqing's provincial level powers include foreign trade. It has set up its own customs and a commodities inspection house. It has the right to conduct trade talks, bid for prices, sign contracts and close accounts in foreign currencies, all independently.

The city has developed trade with 38 countries and regions in less than a year. Outside investors brought in 62 pieces of advanced equipment or new techniques in 1983. The number will go up to 100 this year and investment will exceed US\$ 100 million.

At this year's Spring Commodities Fair held in Guangzhou, Chongqing's products received a lot of attention from foreign businesspeople. Supplies of Chongqing cereals, oil and foodstuffs still fall short of the high demand. And sales of potassium permanganate, glass containers and aluminum sheets, all state medal winners, are rapidly expanding.

Improving Transportation

The railway between Chongqing and the provincial capital Chengdu is now being electrified. The lines from Chongqing to Guiyang and Xiangfan will also be electrified eventually.

The number of freight trains has also increased, and more flights stop at Chongqing's airport.

But the Changjiang River provides the best potential for transportation. It is estimated that 20 million tons of cargo could be sent down the river each year. However, the annual average has

Two freighters of the Minsheng Shipping Company, a collective enterprise, leave Chongqing to fanfare.



been just 3 million tons, partly because of an irrational management system.

In the past, freighters from Chongqing to Shanghai were under the administration of five provincial Changjiang navigation bureaus. They had to check in with each. But beginning last year ships may now go straight through, shortening the voyage from 54 to 39 days. Direct lines from Chongqing to Nantong, Jiujiang and Nanjing have also been opened, with similar results.

In the past, more than 100 docks in Chongqing were under the separate administration of the state, the province, or the city. But now, under the unified management of the Chongqing Port Office, some docks no longer stand unused while others are overused.

This has increased the amount of cargo the city can handle, cut down the consumption of petroleum, and left the Chongqing Port Office with more than one million yuan in profits. This is a complete turn-around from the 1983 planned deficit of 2.8 million yuan, and enables the port to finally shake off its reputation as a loser.

According to the past regulations, ships sailing along feeder lines were not allowed to enter the main route, and those in the river above Chongqing could not sail below the city.

When these unnecessary limits were finally done away with, Lu Guoji (son of Lu Zuofu, a well-known patriotic entrepreneur and former manager of the Minsheng Shipping Company) organized a collective navigation enterprise. It is now co-run with an industrial bureau, using the ships formerly set aside for transporting goods to the lower reaches of the Changjiang River. The two fleets they built themselves began shipping cargo on Oct. 1 this year.

Many other groups have since organized themselves to transport goods down the river. On April 21, the first fleet organized by the rural specialized households of Chongqing shipped 460 tons of coal to Jiangsu Province.

Industrial Reform

Beginning on May 1 of last year, the state began replacing

enhancing enthusiasm. Last year the company overfulfilled its production and quality quotas. The amount of state tax it paid increased 150 per cent over 1982, and the incomes of the workers have gone up dramatically. Now the highest wage is 300 yuan a month.

One of the prominent features of the city's reform is the reorganization of industrial enter-



"Chongqing" brand motorcycles.

profit delivery with tax payments in state-owned enterprises. Now the profits left after taxes belong to the enterprises. Therefore, the better they are run, the more they gain. At the same time, more pay for more work has really been ensured through the contracted responsibility system.

Starting from April 1983 the Chongqing No. 1 Construction Engineering Company began working under a contract system. The contract stipulated the amount of work, the quality standards, consumption quotas and workers' wages, calculated according to each 100 yuan in output value they produce. The better the workers performed the higher their wages, effectively putting an end to egalitarian distribution and greatly

prizes, according to their specialties, yet without changing their subordination or ownership. Enterprises can now more easily cooperate with each other to turn out a finished product, sharing both the work and the profits.

The Jialing Machinery Plant is a typical example. It formed the Jialing Motorcycle Joint Enterprise with eight other enterprises. They produce the motorcycle engines, frames and axles, and the Jialing Machinery Plant does the final assembly. This joint enterprise co-operated with 110 other factories to purchase parts.

Now the Jialing Machinery Plant can produce 150,000 motorcycles a year, with a total investment of only 6 million yuan with-

Energy Conservation and Its Prospects

— An interview with Lu Qi, deputy director of the Energy Conservation Bureau under the State Planning Commission

In recent years Beijing residents have been encouraged to install electric meters in their homes to help them save electricity. A Shanghai factory has been asked to stop producing a high-quality limousine because of its heavy energy consumption. Even in the biggest coal producer, Shanxi Province, saving energy has been put on the agenda.

Why is energy conservation so important in China? What are the results of efforts so far? What is planned for the future? These are questions discussed during the interview. — Ed.

Question: China is rich in energy resources and ranks third in the world in annual energy output. Why is saving energy so important?

Answer: Because of the plentiful energy resources, China's absolute energy output is not too low. The 1980 total output was equivalent to 630 million tons of standard coal. But the average annual per-capita energy consumption of its 1,000 million people was only 600 kilogrammes of coal, less than one-third of the world's average.

As the economy develops and living standards improve, China faces a serious energy shortage. In the last few years one-fourth of industrial production capacity has been wasted and many factories have to draw up their production plans according to available coal and electricity supplies.

In rural areas one-third of the 800 million peasants have no

electricity. Almost half of these families have no coal for two to four months each year. Even in some cities and towns, simple lighting is threatened by a shortage of electricity.

Another reason to save energy is that high consumption, great waste and low efficiency are common problems in China. For instance, to produce US\$100 million worth of its 1980 gross national product, China consumed 1.7 times the resources used in the Soviet Union, 2.1 times those of the United States and 5.6 times what was used in Japan.

China also has achieved only 30 per cent energy efficiency, against 51 per cent in the United States and 57 per cent in Japan. Compared with some industrially developed countries, the heating efficiency of Chinese equipment is quite low (see Table 1).

Q: Why doesn't China speed up

the exploitation of its energy resources instead?

A: It is necessary to do this to ease the energy shortage. China has now listed developing energy resources as an important economic task. During the Sixth Five-Year Plan (1981-85), the state has put aside one-fourth of all capital construction investment, or about 60 billion yuan, for energy exploitation. China is also attracting more outside investment to develop energy production.

In this five-year period, China plans to open coal mines with a combined annual output of 220 million tons and increase present production capacity by 80 million tons. It will start or continue building power stations with a combined installed capacity of 36.6 million kw. By 1985, 12.9 million kw will be available for use. Oil production capacity will be raised by 35 million tons and natural gas by 2,500 million cubic metres.

During the Seventh Five-Year Plan (1986-90) China will earmark even more funds to develop energy.

But funds are limited and the construction periods are long. Relying only on increased energy

out expanding its original plant or enrolling more workers. (See *Beijing Review*, No. 33, 1984.) Chongqing now has 120 economic organizations like the Jialing Motorcycle Joint Enterprise.

In 1983 the city's total industrial

output value rose 12 per cent, agricultural output went up by 7 per cent and revenue grew 10.18 per cent over the previous year. From January to September 1984, total industrial output value rose 12.2 per cent, gross profits went

up 13.9 per cent and revenue rose another 9.4 per cent, as compared with the corresponding period last year.

The healthy economic expansion is a good beginning for Chongqing's comprehensive reforms. □

Table I

	China (% efficiency)	Developed industrial countries (% efficiency)
Thermal power plants	29	35-40
Industrial boilers	55-60	80
Industrial kilns and furnaces	20-30	50-60
Home-use ovens	15-20	50-60
Engines	6-8 (steam locomotive)	25 (internal combustion engines or electric locomotives)

production cannot meet the needs of the nation's rapid economic development. Energetically reducing consumption is the key to easing the energy shortage and guaranteeing the continuous development of China's national economy. From a long-term point of view, in order to develop production, to raise the living standards and to protect the environment, we must save energy and use it rationally. Because of this, we can view energy conservation as a long-term task.

Q: What achievements has China made in saving energy so far?

A: Beginning in the early 70s, energy-saving has been included in the national economic development plan. During the Sixth Five-Year Plan, we've had a number of successes.

From 1981 to 1983 China saved 70 million tons of standard coal and lowered the energy consumed for each unit of industrial output value by an average annual rate of 4 per cent. This is a little better than the 2.6-3.5 per cent required by the Sixth Five-Year Plan.

This guaranteed a 7.8 per cent increase each year in industrial and agricultural output value with a small increase in energy production. The elastic coefficient of

China's energy consumption (i.e., the ratio between the growth rate of energy consumption and the industrial and agricultural output value growth rate) decreased to 0.37 on an average (see Table II). This is rare in Chinese history.

Q: How did these achievements come about?

A: First of all, China set out the principle of focusing on both energy exploitation and energy conservation, with main efforts on the latter in the near future. We drew up a general plan to save energy based on this principle. As a result more investment was set aside for energy-saving projects. Energy resources management was improved and conservation measures were adopted and popularized.

Table II

	Growth rate of agricultural and industrial output value (%)	Growth rate of energy consumption (%)	Elastic coefficient of energy consumption
1981	4.5	-1.4	-0.31
1982	8.7	3.7	0.43
1983	10.2	6.5	0.64
average	7.8	2.9	0.37

This programme, the first since the founding of New China, was included in the Sixth Five-Year Plan. It calls for saving 70-90 million tons of standard coal and reducing energy consumed to produce 100 million yuan of industrial output value from 81,500 tons of standard coal in 1980 to 68,200-71,500 tons in 1985.

Based on this, the annual economic production plans were drawn up to include energy-saving targets and technological changes which increased conservation. By the end of 1983 we reached the lowest target for energy consumption required by the Sixth Five-Year Plan.

We did several things to achieve this. The first was a reform of the economic structure. We made efforts to control the development of heavy industries such as iron and steel, which consume much energy, and speed up electronics and light industrial production, which yield high output value with less energy and are needed by society. In this way we saved half of all the energy conserved in the period.

We also improved the way energy resources are managed. The government enacted regulations on energy saving, set up conservation offices at various levels, improved management of energy standardization and weights and measures, established supervision over energy

use and energy consumption quotas, regulating all this with a system of rewards and penalties. Factories making products which consumed much energy with low efficiency were asked to stop production within a certain time. Residents were encouraged to have electric, water and gas meters. All these measures needed little investment but yielded good results.

But the central task of the energy conservation plan is technological transformation. Of the 1,303 energy-saving projects arranged for the Sixth Five-Year Plan, 195 will require more than 10 million yuan of investment each. The projects to be completed by the end of 1985 will save 20 million tons of standard coal each year.

Thanks to better management, updated equipment and improved technology, the energy consumption per ton of steel has dropped 9.5 per cent in the past three years. As a result, 1.7 million tons of standard coal were saved, but steel output increased by 2.64 million tons.

Small nitrogenous fertilizer factories which were nearly closed because of their heavy energy consumption were revitalized with more than 20 energy-saving pro-

jects and improved management. The energy consumed to produce one ton of nitrogenous fertilizer decreased by 21 per cent in the first three years of the Sixth Five-Year Plan.

Q: China plans to quadruple its annual industrial and agricultural output value by the end of the century, but only to double energy production. Conservation measures will be expected to make up the shortage. Do you think this is realistic or not?

A: Quadrupling the annual industrial and agricultural output value with doubled energy production will not be easy. That is to say the energy consumed to produce 100 million yuan of output value (calculated on constant prices) must fall 50 per cent in the final 20 years of the century, a rate a few industrially developed countries can reach.

By comparison, between 1958 and 1980 the ratio between increase of the total output value and increase in energy consumption in the United States was 0.73, the Soviet Union 0.74, Japan 1.02, France 0.76, the Federal Republic of Germany 0.83, and India 0.99. In China the proportion from 1953 to 1980 was 1.17. Even during

the First Five-Year Plan (1953-57) it remained at 1.58.

We say the task is difficult also because energy saving involves everyone in society, and is closely related to good management, the use of new technology, equipment and production processes and the national economic structure. All these need to be improved in terms of organization, publicity and technological transformation.

But this is not impossible, because we have much in our favour.

First, our experience over the last three years provides much on which to base our future work. Average annual energy consumption has dropped quicker than the 3.7 per cent rate needed for the 20 years before the end of the century. In some factories and trades the per-unit energy consumption has dropped drastically. For example, in the last three years the Shanghai Solvents Factory reduced oil consumption for per-ton solvent by 30 per cent and the Shanghai Oil Refinery lowered its per-unit energy requirements for processing oil by 20 per cent.

Second, good results in the energy-saving campaign so far can be attributed to economic readjustments and improved management of energy resources, but not to technological transformation. We will be able to save more energy when outdated equipment and backward processes and techniques are replaced.

Third, the world is in the midst of a technology revolution today. Newly emerging industries which use less energy and turn out high output value will give impetus to technological improvements in China. As these industries are established in China, we will benefit from direct and indirect energy savings.

Fourth, as China opens its door wider to the world, it has more chance to exchange energy con-

Herdsmen in Inner Mongolia install a wind-powered generator.



servation experiences with other countries, to co-operate in improving energy-saving techniques and to attract more outside funds for technological transformation.

Q: China's energy-saving work has caught the attention of other countries. What are the plans for the future?

A: We are now preparing to draw up the Seventh Five-Year Plan for economic and social development (1986-90). This period is crucial for a flourishing economy in the 1990s. It will also see big progress in energy saving. We will use several measures to make this happen.

The technology of existing enterprises will be transformed systematically. We will install updated and newly built equipment, to make more rational use of our energy.

Specifically, we plan to speed up development of co-operative heat and electricity production and centralized heating supplies and to raise heating efficiency. Now China has 200,000 high-consumption, low-efficiency small industrial boilers. These boilers consume 160 million tons of standard coal each year and are a major source of pollution. It is also necessary to develop thermal power stations and establish a centralized heating system.

We must raise the processing capacity of coal and use it sensibly. Seventy per cent of China's energy is consumed in coal, and this situation will continue for a long time to come. But there are many ways in which we are not using this coal wisely. For instance, we should be using anthracite coal, which burns very hot, in the chemical fertilizer industry, coal with great generating power in locomotives and coal dust in power plants

We must speed up the transformation and replacement of



Xinjiang peasants cook dinner on a solar stove.

machines which are not energy efficient. Most of China's 10 million blowers and pumps now in use are from the 50s and 60s, which consume one-third of the country's electricity. Many transformers and motors are also inefficient. These oil-powered machines will be replaced.

We must also popularize the use of honeycomb coal briquettes and high-efficiency stoves and develop the use of natural gas in urban areas. In rural areas it is necessary to encourage peasants to use fuel-saving stoves and help them use biogas, to build more small hydroelectric power stations and to use wind and solar energy where they are available.

We will push forward these plans by economic levers. We will develop a programme for energy taxes, and a system of rewards and penalties. Energy prices will be raised so that every enterprise will

pay more attention to conservation.

China will enact a comprehensive energy law and finish developing the system of standards of energy consumption. It plans to set out standards in the near future for major industrial products, equipment and machines which consume a great deal of energy.

We must also make the public understand the importance of energy conservation, and the policies and principles used to ensure it.

We will make further efforts to exchange energy-saving experiences with other countries and learn from the new technology in energy efficiency.

I believe that with the great efforts of all the people, we can achieve our goal of saving energy. □

Gap Between Rich and Poor Is Bridged

This is the third article in our series on the rural responsibility system. The first two instalments examined how peasant production has climbed since the system was introduced and how it differs from capitalism. — Ed.

by **LU YUN**
Our Correspondent

WITH the introduction of the responsibility system, some peasants have rapidly increased their incomes and standard of living, while others have lagged behind. One might ask how this gap between rich and poor peasants is any different from the capitalist polarization of the classes.

Everybody on the March

Some Chinese peasants describe the present situation this way: Now, with the adoption of the contract system, everybody is free to engage in a race; those who are energetic are running at the front, while those who are weak are lagging behind. But everybody is moving forward, regardless of their speed.

Shenqiu is a poor, disaster-ridden county in eastern Henan Province. In 1979 the average per-capita income in Shenqiu was only 73 yuan, but it climbed to 342 yuan last year. Of the poverty-stricken households which accounted for 8 per cent of the total peasant households in 1983, 80 per cent have caught up with the average income level in the county.

When asked whether the responsibility system will bring about a polarization of the rich and poor, Shen Faqi, secretary of the county Party committee, said it will not. "To clarify this point," said Shen,

"one should first note that polarization occurred in the old society and in capitalist countries because a section of people owned the means of production and exploited others' surplus value, while another section sold their labour to survive because they went bankrupt and lost the means of production." Shen continued, "The prosperity of the former was based on the poverty of the latter. Such a phenomenon does not and will not be allowed to exist in China. The government of our socialist country shows concern for the livelihood of all the people," said secretary Shen. "The agrarian reform in the early post-liberation days and the subsequent agricultural co-operative movement have eradicated the source of class polarization. Today, state power, the economic lifeline and the major means of production are all in the hands of the people. This is the point of prime importance.

"Second," said Shen, "all peasant households, rich and poor alike, enjoy equal political and economic rights and the right to use the collective land. The land is not allowed to be leased or sold and no one can be exploited by others for loss of the means of production. Differences in incomes result mainly from differences in labour strength, technical know-how, diligence, management ability, natural and man-made calamities and other unexpected factors. Now some people have become better off first through their hard work. Any one will be able to get rich as long as he has working ability and is not lazy."

Shen continued, "Third, while encouraging all the peasants to become wealthier through hard labour and allowing one group to get rich first, the government has

made it a policy to help the poverty-stricken peasant households develop their production. The state grants relief funds, the banks and credit co-operatives issue special low-interest loans and the collectives have special funds in their public welfare collections to give to households in financial difficulties," said Shen. In the spring of 1982, when the wheat of some poverty-stricken households in Shenqiu was growing poorly, said the secretary, the credit co-operative allocated special loans so those households could buy 1,850 tons of chemical fertilizer. With that help, their wheat yields reached or approached the average output across the county.

Common prosperity for the labourers is one of the goals of a socialist society. It is only natural that differences between rich and poor exist and that some people become better off earlier than others. During the 1966-76 "cultural revolution," when a "Left" deviationist policy was implemented, family sideline production and a diversified economy were criticized as capitalist tendencies. People were restricted from becoming prosperous through legitimate ways and "common prosperity," characterized by egalitarianism, was pursued. No one could take a step forward and poverty for everyone was the result.

A Survey of Wealthy Households

Who got rich first in the countryside? What are their attitudes towards the state, the collective and the poor?

A survey of 20,988 prosperous households in Yingxian County, Shanxi Province, indicates there

are four kinds of people who quickly became affluent in the countryside.

Brigade and production team cadres or commune members who had once been cadres account for 43 per cent of the prosperous people. They have acquired some operational and management experience and dare to take the lead in developing commodity production. Among 19 production brigades of the Xingzhai commune, 24 brigade cadres have become wealthy through hard work. For instance, brigade Party branch secretary Zhao Taijia contracted 7.6 hectares of mediocre farmland that nobody else wanted to contract. He planted sugar beets and reaped the highest crop yield in the county.

Educated youths returning to the countryside and demobilized soldiers account for 42 per cent of the prosperous people. Generally these people have acquired a middle-school education and are thus more receptive to new policies and science and technology. Take 21-year-old Liu Jianguan for example. As soon as he heard the news about a youth outside his village who became wealthy by growing mushrooms, Liu, an educated youth, travelled to Hebei's Jinxian County to attend a training class that cost him 200 yuan. Upon returning home, he started cultivating mushrooms and earned 1,800 yuan that same year.

Skilled workers who are proficient in a particular line of production make up 9 per cent of the prosperous people. Experienced in industrial and commercial business, they are often skilled in traditional handicrafts, they employ modern technology, and they have many avenues to prosperity. Peasant Zhang Shanqi has 36 years of experience in pressing vegetable oil. In the past, however, he had nowhere to apply his skill. After the new economic policies were announced, he earned 9,800 yuan

by pressing oil in 1982. Another peasant, Xing Zhiquan, is skilled in electric welding and metalwork. He set up a small shop to repair automobiles, tractors and farm tools and to make convenience items for the masses. He has done very well.

Peasants who are skilled in business and management make up 5 per cent of the prosperous people. They generally have a large circle of friends, can get information quickly, have a broad vision and are talented in developing a diversified economy. Peasant Zhang Zhenggui's family farms a plot of contracted land. To make more money they also contracted an oil mill from the production brigade, set up a bean-curd mill, bought milk cows, and raised 14 beef cattle and 28 hogs. The Zhangs earned 35,000 yuan last year.

From the survey, it is clear that the overwhelming majority of peasants who have quickly become wealthy are educated, skilled, experienced in production, economically minded and active in studying science and technology. They have become the key to developing rural commodity production.

These people, who are generally more skilled than the average

person, now enjoy high prestige in the village. By getting rich first, they have set a good example for the other peasants, including the poverty-stricken peasant households. The poor peasants can see that they, too, can become wealthy through hard labour.

The overwhelming majority of these newly rich people observe the law, pay their taxes, comply with the state plan, more than meet their state quotas and abide by their economic contracts signed with the collective. They are not bent solely on profit without regard for others' prosperity. They know how to balance their personal interests with those of the state and the collective. Many of them make earnest efforts to teach others skills and are glad to help less fortunate households. They are willing and able to lead the peasants down the socialist road to common prosperity.

Helping the Needy Families

Tales of wealthy individuals helping needy families were heard everywhere this correspondent went. In Shenqiu there is a peasant named Liu Kun who is versed in doing business. Beginning in

Sichuan youths help poor peasant Zhao Zhongyun (middle) work his contracted land.



1981, Liu entered the wholesale and retail business, purchasing and selling native products, small farm tools and daily necessities locally and in the southern Anhui mountainous areas, Jilin and Shandong Provinces. He has travelled thousands of kilometres from cities in the south to cities in the north, transporting a variety of goods for wholesale and retail. No petty trader, Liu is skilled in selling commodities that are in short supply at state-owned and collective shops. Because he employed the tactic of making a small profit but a quick return, his business grew rapidly. In the past three years he has earned nearly 200,000 yuan in profits.

Helping the Poor

With so much money at his disposal, Liu is willing to help his neighbouring needy families. Last spring he withdrew 70,000 yuan from his savings to help the needy families in production and signed contracts with 327 peasant households in Anji township. Under the contracts, Liu has invested in soft-shelled turtles and ducks to be raised by the peasant households. He is providing the young ducks and turtles and the fodder and will be responsible for giving technical guidance. He will also help with disease prevention and marketing the adult ducks and turtles. When they are sold, Liu and the peasants will share the profit. Last April 10,000 breeding turtles and 140,000 young ducks were sent to the 327 households. It is estimated that every household will earn 1,000 yuan just from duck-raising this year.

Assistance from the wealthy peasants is only one aspect of the effort to support the poor. Even more important is the support provided by the state, the collective and all the peasants for the poor. The state has set up special organizations and allocated funds to help the poor areas develop pro-

duction. In the past few years, 3.27 million needy households have received help and about half of them have lifted themselves out of poverty. Poor peasant families throughout the country have generally improved their living standards since the adoption of the responsibility system. But owing to poor natural conditions, scanty achievements in work and unsatisfactory implementation of government policies, some areas (mostly mountainous and remote border regions) with a population of tens of millions of people in the countryside are still fairly poor. On Sept. 29 the Central Committee of the Chinese Communist Party and the State Council issued a circular on helping the poor areas boost incomes quickly. The state relaxed policies towards the poor areas, reduced or exempted the agricultural tax and the enterprise income tax and approved free-market pricing of previously planned goods such as grain, agricultural products, sideline goods and native products. Sixteen state ministries and bureaus will work out concrete plans for helping the poor areas raise their incomes. The central authorities have called upon Party committees and governments at all levels to take effective measures to help people in those areas free themselves from poverty and then proceed to keep pace with the development of the national economy.

Pulling Out of Poverty

The average per-capita income of the 11,200 poverty-stricken households in Shenqiu neared the average level of the whole county in 1983. Of the 2,770 households with serious financial difficulties, 60 per cent have lifted themselves out of poverty. Organizations at the county, township and village levels have set up committees to help the poor. Having established regular contacts with the poverty-stricken households, cadres and Communist Party mem-

bers encourage them to build up their confidence in overcoming difficulties, they provide them with guidance in working out their production plans and in developing a diversified economy, and give them help in production and technology. Shen Faqi, secretary of the county Party committee, lent a hand to a lagging production brigade. After two years of his efforts, the brigade's annual grain output jumped from 200 tons to 695 tons and the number of poor households was sliced from 67 to 18. The campaign to help the poor in the county is in full swing, and 2,770 assistance groups have been established.

Government Help

The county government has taken measures to lighten the burden on the poor households. It is providing loans on favourable terms, giving priority to the poor in supplying chemical fertilizers, reducing or exempting tuition and fees for poor family students and granting free medical care. Peasant Wang Jinxing of Weiying village said emotionally, "In 1981 when I contracted hepatitis, the collective subsidized my 1,100 yuan hospitalization expenses and medical fees. When I was seriously ill, only my wife and my old mother worked the field. The production brigade helped me by ploughing the land with tractors, the production team organized the peasants to assist me by raking the field, and my neighbours and friends pitched in by sowing and harvesting. Despite my illness, my harvest was as good as ever. In addition, I've moved into a new brick-and-tile house built by the production brigade with brigade-run enterprise profits."

County assistance networks and stories like Wang's can be found all over China. A widow in Fengyang County in Anhui Province has, with help, recently freed her family from poverty. This healthy and capable middle-aged woman.



Communist Party member Chen Ganghe (left) teaches a poor peasant how to take care of rice seedlings.

Chen Defang, sat stitching soles of cloth shoes as she told her story. She said smilingly, "After the death of my husband, I had to take care of my four children by myself, and I was lucky to have the loving care of the government. A commune cadre was sent to help me arrange production, buy quality chemical fertilizers, control pests and harvest my crops. The government exempted me from paying agricultural tax in grain. My children had to pay only half the normal tuition fees. And my relatives and neighbours often came to my help. Last year I reaped a harvest of 5,000 kilos of grain. I now have a TV set, a radio, a sewing machine, a bicycle and a flatbed tricycle.... What's more, I am getting the materials ready to build a three-room brick-and-tile house."

The Five Guarantees

In the countryside of Shenqiu County there are 4,648 lonely old people who are no longer able to do physical work. They account for 5.4 per thousand of the county's rural population. They all receive the five guarantees (food, clothing, housing, medical care and burial expenses) from the collective. The guarantees have proved to be an effective, traditional method for taking care of lonely old people in

the countryside over the past 30 years. After the household contract system was adopted, the expenses for supporting the elders came from the public welfare funds. The county government ruled that the level of support for the elders should be higher than the average income. The support level is even higher in those production teams that are prospering.

Single elders entitled to the five guarantees may choose one of the following four ways of living:

- They may live in the old folks' home. In 1982 only 66 old people lived in eight old folks' homes in Shenqiu. Now there are 270 elders living in 35 such homes. Generally, a single person or a couple live in one room. In the newly built Zhaolou Old Folks' Home, a retired medical worker from a commune hospital serves as the home's attendant and is responsible for cooking and administering medical treatment. The old people there receive regular physical examinations. Rooms shared by eight old people are each furnished with spring beds, mosquito nets, cotton quilts, cane chairs and transistor radios. As incomes and public welfare funds increased after the adoption of the responsibility system, the care of the old

people was guaranteed.

- Old people may also receive provisions from the collective and live in their own homes. In Wulou village, Zhao Baozhu, 76, said, "I'm living a better life than those who have children to support them. People often bring me vegetables and help me fetch water." Zhao enjoys smoking and drinking and occasionally practises calligraphy. Not long ago, he used his pocket money savings to buy a second-hand bicycle, which he sometimes rides to the fair.

- Some elderly people live with their relatives and volunteer to contract a plot of land to be farmed by their relatives. The old people are able to contract 1.5-2 shares of land and are exempted from delivering quotas to the state and the collective. The quota exemptions were adopted to help the old people provide for themselves.

- The collective will hire service workers to care for those old people who have lost their ability to work.

The Shenqiu peasants regard it as their unshirkable duty to support the elderly with the five guarantees. They are aware the older generation was the strong labour force in collective production during the 1950s and 1960s, while people now in their 30s and 40s were then in their childhood. The growth and prosperity of many middle-aged people was inseparable from the hard work performed by people now enjoying the five guarantees.

The efforts under way in Shenqiu and all over China's countryside to take care of the elderly and support poor families demonstrate the ideology and moral qualities of Chinese peasants. Those efforts also show that polarization of the rich and poor not only has no economic and political foundation in China and is not permitted by Chinese law, but also has no ideological foundation among the peasants. □

A Peasant Maps His Road to Wealth

Wang Xin, 43, is a peasant in Beijing's suburban Pinggu County. His is one of the 22 families in the county with an annual income of more than 10,000 yuan. In an interview with "Beijing Review" correspondent Yang Xiaobing, Wang tells how he became rich. The following is his account. — Ed.

THERE is a long story behind my family's prosperity. My family's history is closely linked with the history of the Chinese society. So let me start my story with the rise and fall of the country

In 1941, I was born to a poor peasant family in Pinggu County. At the time, my family had 10 members from three generations, but we had no farmland at all. My grandpa and his brother had to work for the landlord. My father and his brother wove at home and traded their coarse cloth at the market for some food. While peddling their handmade cloth, they had to be alert and evasive to avoid being forced to bribe the police.

One winter day, my grandpa's brother had two fingers bit off while feeding cattle for the landlord. The landlord simply dismissed him when he saw he was no longer useful. This made our lives even worse. My grandma had no other way to earn money but to pick wild jujubes in the mountains, which were ground up and mixed with wild herbs to make something like a bun.

At the time, my grandparents and parents wanted to work hard and get rich. Their desire, however, was merely a dream.

Bright Dawn

In 1949 New China was found-

ed and we peasants became masters of the country. Land reform was carried out, with feudalist land ownership abolished and farmland returned to the tillers. All the 300 peasant families in my village got shares of farmland, averaging 0.2 hectare per person. For us peasants, this really meant something to live on.

During the land reform, the landlords' surplus rooms were confiscated and the extra rooms were distributed among the poor. My family moved from a three-room thatched house into a tile-roofed house with seven rooms. Though only a small child at the time, I clearly remember how happy the peasants were.

In 1951 the agricultural collectivization movement got underway in my village. We first got organized into mutual-aid production teams and then into elementary agricultural co-operatives, pooling our land and sharing the dividends. In 1956 we switched to the advanced agricultural co-operatives and put our farmland into public ownership. The principle of "to each according to his work" was followed. The removal of land boundary stakes made it possible to develop a unified farming plan on a larger scale and created favourable conditions for water conservation projects and agricultural mechanization.

With the land under public ownership, all the villagers met to discuss how to use their farmland and how to distribute the income. This was completely different from pre-liberation days when we had no land at all.

During those years, since every-

one worked hard and the government provided the co-operative with preferential loans and farm tools, production grew rapidly. The grain output, for instance, grew from 2,250 kg per hectare before 1949 to 4,225 kg in 1956. I remember my family got more than enough wheat that year. We lived quite well during those years.

In July of 1957, our village was hit by a hailstorm. With crops ruined, old people worried that they would have to go begging as they had in the past when natural disasters struck. But when the government heard about our problems, it exempted us from agricultural taxes for that whole year, shipped in grain seeds and potato seedlings and urged us to tide over the difficulty while developing production. By relying on the collective strength of the village and everybody's hard work, no one ran short of food.

In 1957 something important happened to me. I was enrolled in the county's middle school after I graduated from the primary school in my village. Before me, for generations all my family had been illiterate.

Twists and Turns

In 1958 we got organized into the people's commune, which brought about some desirable changes, but also resulted in some baffling developments.

A people's commune usually consisted of several villages (a village was usually an advanced co-operative). To see many people working on a vast expanse of land was really a spectacular view. Soon after the founding of the people's commune, a tractor station was set up to oversee ploughing and sowing.

The year of 1959, however, was chaotic. Some people said we had arrived at real communism. All the people in my village ate at the same canteen, free of charge. We produced hundreds of thousands of kilogrammes of sweet potatoes. But nobody wanted them. The result was that all the potatoes rotted in the fields. Some people were prone to boasting and exaggeration. There was a 0.13 hectare plot of farmland by my middle school. About 2,500 kg of wheat seeds were sown and people said it would yield 100,000 kg. But, in reality, it produced only 250 kg (because far too many seeds were sown). Though the Central Committee of the Chinese Communist Party later criticized this mistake of being boastful and exaggerating, much of wealth had already been wasted. The negative impacts of such actions were felt for years.

The people's commune authorities also gave some arbitrary and impractical orders. Our village had a piece of land which should have been planted with soybeans. Some cadres of the people's commune, however, ordered us to grow carrots. Another piece of land which had already been planted with sweet potatoes was designated for soybeans. All these illogical orders resulted in sizeable losses.

It now becomes clear that the inclination to boast and give arbitrary orders came from "Leftist" thinking.

Of course, the people's commune did some good. The most visible improvements were the water conservation projects. I myself took part in building several big projects.

In 1960 I came back home after graduation from junior middle school. My family of 10 members was then broken up into several small ones. I moved in with my uncle and his wife. Peasants from surrounding villages were then building the Haizi Reservoir, which would irrigate almost 10,000

hectares, one-third of the county's total farmland. The builders, in addition to getting subsidies from the state, were paid in cash by the people's commune and received food rations. This made it attractive work and made it possible for the people's commune to mobilize enough people to build the big projects. The water conservation projects on which I worked are still benefiting the people.

I got married in 1962 and later had two sons and one daughter. More mouths need more money. I managed to increase the income for my family. The next year, I spent my spare time collecting firewood in the winter and growing melons on my family's private plot in the summer. The extra work brought in more than 400 yuan. Our life was pretty good.

In 1966, the chaotic "cultural revolution" began. I could no longer collect firewood or grow melons because these were seen as capitalist undertakings. We peasants, unlike workers who have regular wages, had to work in the fields or we would have had nothing to eat. So our agricultural production continued as usual.

In retrospect, my life improved steadily after I began working. But I always thought I could have done much better. I was held back. In 1969, I was elected deputy leader of the brigade in charge of sideline production. One day I bought some eggs from a state chicken farm in order to hatch chickens for the brigade. I sold some of the surplus eggs and made 100 yuan for the brigade. I was shocked when I was criticized for

Are We Just Money-Minded?

Some observers said that our production responsibility system and diversified management are typical of a small economy. Some others said that we have become money-minded rather than socialist-minded. That is because they are not well informed about China. Our farmland remains publicly owned. We contract the land and the farm machines to the peasant households so that there will be a more reasonable division of labour and the principle of "to each according to his work" will be better implemented. Take chicken raising for example. The household is responsible only for raising the chickens. Other jobs like hatching, supplying feed and slaughtering are still done in co-ordination among specialized

lines between various trades and departments. All this is quite different from the self-sufficient small peasant economy. We peasants are not money-minded, as some have said. For example, the collectively owned tractors of our village have been contracted out to individuals. However, if someone gets sick and needs to be taken to the hospital, the drivers are always ready to take them without charging a penny. And if I had been money-minded, as some have said, I would not have become the Party branch secretary or helped other households with their chicken raising. Both take a lot of time and cut down on my ability to make money.

— Wang Xin



Wang Xin tends to his chicks.

selling the eggs. I was labelled a capitalist speculator.

Affluence Begins

It is only in recent years that I have been able to work hard and grow prosperous without restrictions.

In 1979 I learnt from newspapers and broadcasts that the Party had adopted flexible policies in the countryside. The contract responsibility system, which guaranteed more pay for more work, became popular in my village. The new policies allowed us peasants to become the real masters of agriculture and set us free to work hard and make more money. I wondered what I could do to get wealthy.

In 1981, I chose to raise chickens. I spent 380 yuan to buy 500 chicks. I was then a Communist Party member and the brigade's deputy leader. What I did raised some eyebrows in the village, but it didn't affect my job. The policy supported me. I got rich by working hard. Nothing wrong. I earned 850 yuan that year.

I then expanded the scope of

my chicken business. The state credit co-operative offered me loans and encouraged me to forge ahead. I read books and studied to learn how to raise chickens scientifically. I also learnt how to treat chicken diseases such as diarrhoea and typhoid fever. In 1982, I sold the state 6,000 chickens for 9,000 yuan. With my income from the brigade and other household sidelines, I earned a total of more than 10,000 yuan, a figure larger than my combined income for the previous 10 years. The county recognized my achievements and rewarded me.

The Party policy is to bring into full play everyone's enthusiasm for production. It creates more wealth for the country and provides a good life for the peasants. Being among the first in my county to get rich, I'd like to lead others to prosperity.

Wang Shuchen has eight family members, but only two are able men. They have had a hard time. I explained the Party's policy to him and asked if he would like to raise chickens, too. I lent him 580 yuan, saying, "Please use this

money to raise chickens. If the chickens die, I won't ask for the money back." Because he was less experienced in raising chickens, I went to his home several times every day to help him write observation notes, make plans for buying chicken feed, keep balance sheets and cure chicken diseases. Last year Wang earned more than 5,000 yuan from his chicken business alone.

So far, I have encouraged 80 families to raise chickens. Last year alone, I lent the families 5,800 yuan free of interest. In addition, I took time to help them treat chicken diseases and teach them how to raise chickens. I was always available whenever I was asked.

My family's life has improved very much in recent years. However, I spent only 400 yuan buying a radio cassette recorder for my daughter to study a foreign language for her college examinations. Other than that, I have spent not a single penny for other electric appliances for my family. I'd rather spend my money expanding production. I bought a walking tractor that cost more than 3,000 yuan.

Not long ago, I was elected secretary of the village Party branch. Since the Party job took much of my time, my chicken business suffered. But it is worth it, because we are helping more people become prosperous.

I am now wondering how to boost enthusiasm even more so that we can turn our village into a village which specializes in chicken raising. We also want to develop other sideline businesses and to raise other livestock in order to make our village more competitive in commodity production. Our village cadres have decided that whoever comes up with a practical plan to make more than 10,000 yuan next year will be the first to get material assistance from the village. □

Younger Cadres Moving Up

from "LIAOWANG"
(Outlook Weekly)

PROMOTING talented middle-aged and young cadres to various leading posts has been an important step in China's modernization drive. In the last few years, remarkable results have been achieved in this respect.

During the Sixth Plenum of the 11th Party Central Committee held in 1981, Hu Yaobang and Zhao Ziyang, just in the prime of their life, were elected to the Party's highest leading organ.

In 1982, the 12th National Congress of the CPC elected 348 members into its central committee. Of these, 211 were chosen for the first time, more than 140 were under the age of 60, and the youngest was 38. At the First Plenary Session of the 12th Party Central Committee, Hu Qili, 51, then mayor of Tianjin and Hao Jianxiu, 45, Minister of the Textile Industry, were elected to the Secretariat of the Party Central Committee, which is in charge of the routine work of the central authorities.

Then in June 1983, the State Council reshuffled its membership. Electric power expert Li Peng, 55, and Tian Jiyun, 54, who has rich experience in financial and economic affairs were appointed Vice-Premiers of the State Council. A large group of people around 50 years old became ministers and vice-ministers. Qian Yongchang, 51, appointed Minister of Communications this year, is one of the first generation of navigators brought up in New China.

At the same time, all provinces have reshuffled their Party and governmental leaders to make them younger and better educated. The average age of provincial leaders has now six or seven years younger. Before the reorganization, only 15 per cent of the leadership was under the age of 55. Now 48 per cent of all provincial cadres are under 55.

Today the work of building a reserve of young cadres is fully underway, both in central and local units. About 1,000 promising middle-aged and young cadres

are being recommended to provincial or ministerial levels, more than 20,000 to leading prefectural or bureau posts, and about 100,000 to be county cadres.

Over the last three years, nearly 10,000 college graduates have been assigned to work in grass-roots units. After they have gained some experience, they will grow into a strong reserve of cadres ready to step into Party and government posts.

Most of the reserved cadres are talented people from the Party and the government, or working in economics, culture, education or the sciences.

Helping Villagers Become Prosperous

from "GONGREN RIBAO"
(Workers' Daily)

IN Wuli County, Shandong Province, a young peasant helped 74 families organize economic co-operative enterprises. Within just two years, they have all shaken off poverty and are now advancing towards common prosperity. The selflessness of this peasant, Ma Fengdian, has been praised highly by local leaders and villagers.

Ma lives in a village on Bohai Bay. His hometown, richly endowed by nature, has ideal conditions for developing fish meal processing.

At the end of 1981 Ma, who had experience in processing techniques and management, gathered nine peasant families and raised more than 20,000 yuan. With the money, the families opened the first fish meal factory in his village. Their product was of a new variety and

offered high quality at a low price. Ma combined this with his innovating marketing ideas to build up a brisk trade.

Six months after opening the business, they had produced more than 70 tons of fish meal and netted 19,000 yuan. The once poverty-stricken peasants now earn more than 1,000 yuan each.

When he was assured that his partners had mastered the skills of processing and marketing, Ma decided to leave the business and open another one. He persuaded his family to sell their cattle, and with the money Ma set up the second fish meal factory with 14 families a few days later.

In six months the factory netted 24,000 yuan in profits, every family averaging more than 1,700 yuan. Ma waved away their suggestion to give him a big bonus.

And at the end of 1982, he left the second fish meal factory and helped another 26 families to

open the third one. The firm was larger, had more employees and found a more ready market. Ma, both purchasing and marketing agent and accountant, concentrated on helping the others.

In July 1983, the brigade leader talked to Ma about how to help another 25 poor families. Without hesitation Ma said, "As long as the villagers trust me, I will try my best."

He promptly retired from the third enterprise, and set up a fourth one. In just one year the new factory was able to add on

other sidelines, such as hatching and raising chickens, breeding fish and making wooden furniture. By the end of this year, they are expected to net more than 60,000 yuan in profits.

Of the 186 households in his village, two-fifths owe their newfound wealth to Ma. However, he himself has earned just a little more than 11,000 yuan since 1981. The villagers said, "If he had continued to work in the first factory, he would have earned at least 20,000 yuan more than he did."

Miniature Girl Lives Happily

from "BEIJING WANBAO"
(Beijing Evening News)

IN a township of Jintang County, Sichuan Province, there is a petty girl known far and wide as the guest from Lilliput.

A daughter of a village doctor, her name is Xia Jianquan. The perfectly formed 15-year-old is only 88 centimetres tall and weighs just 7.5 kg.

When she was born Xia was a very tiny baby—15 centimetres long and weighing 0.25 kg. Her father used to wrap her in a handkerchief and hide her in his pocket when he went to the local fair, or let her play freely in the palm of his hand.

At three the pretty tot had learnt to walk and speak. By that time she weighed 1.5 kg and was 30 centimetres tall. She continued to grow about 5 centimetres each year and put on about 0.5 kg annually. Her development has been well balanced, and Xia has never suffered from any illness.

Her parents, both taller than 1.55 metres, are not closely related. Her sister, four years older than Xia, is 1.52 metres tall, and

her eight-year-old brother is already 1.14 metres. Both are smart and lively.

According to her mother, there was nothing abnormal about her pregnancy. She carried Xia the full nine months and her childbirth was fairly smooth.

Despite her littleness, she has never been treated with disdain. Instead, she has received special concern and affection. Money, grain, gifts, candies, books... pour in from warm-hearted people. Little friends take delight in playing with her.

The miniature girl smiles recalling that more than 3,000 visitors have called on her and over 100 letters have expressed great affection.

A Director Fired By Workers

from "LIAONING RIBAO"
(Liaoning Daily)

AN incompetent director was dismissed from his job recently in the northeastern city of Jinzhou in Liaoning Province.

Zhang Jiube, a director of a bearing factory, had been absent without leave for nearly one year and a half since early 1983. Even when he did show up, he performed his duties with absolutely no enthusiasm.

Strong indignation arose among the workers. Last July the factory's workers' congress urged Zhang to return to work within five days, or he would be expelled from the factory.

Zhang turned a deaf ear, and continued to skip work without any reason.

On August 6, according to the State Council regulations regarding rewards and punishments, the factory congress exerted its democratic power to discharge Zhang, and submitted their decision to the superior department for the record.

Paper Fan With Most Characters

from "WENHUI BAO"
(Wenhui Daily)

A BLACK paper fan with 57,000-characters in pure gold powder was finally finished in Hangzhou last September. A young craftsman named Jin Gang from a fan factory spent 54 days and nights to complete the work.

The fan paper is 0.3 metres wide and has 60 folds. The entire contents of the *Si Shu* (*The Great Learning*, *The Doctrine of the Mean*, *The Analects of Confucius* and *Mencius*) are written on it in gold powder. Each character is as large as a sesame seed. These are the smallest and most numerous characters on a fan in the world.

Ancient Court Musical Instruments Revived

A special concert staged recently in Beijing enchanted audiences with ancient musical instruments from the Chinese court. A complete set of bronze chime bells, a set of stone chimes, *qin*, *se* (both stringed instruments), *chi* (bamboo flute), *xiao* (vertical bamboo flute) and drums, all replicas of ancient instruments, were played.

These instruments date back about 2,400 years. More than 100 specialists, technicians and workers in archaeology, bronze casting and music worked five years to replicate the instruments.

Origins

The original instruments were found in 1978 when archaeologists were excavating the tomb of Marquis Yi (who died in 433 B.C.), ruler of the State of Zeng early in the Warring States Period.

In his coffin compartment they found 65 bronze bells suspended in three rows together with six T-shaped striking hammers and two 2-metre wooden poles. After all those years, the chimes still give a lovely sound. They also have two tones, depending on where they are struck.

Another chime using 32 cut stones was also found. The stones, chiefly made of limestone, are divided into four groups hanging in two rows from a bronze stand.

Another 27 musical instruments were found including string, wind and percussion instruments. All show excellent workmanship and are decorated with figures and shapes mostly in orange and black. Obviously, a grand court orchestra had been preserved.

The instruments were found in good condition, although they had been underground for so long. The

panpipes, the first discovered in China, can still produce a clear melody. Their scale is longer than that of a traditional Chinese five-tone scale.

Research Begins

Scientists were not content merely to put the ancient instruments on show. They wanted to know what materials the chimes are made of, and how they were produced. They wondered why each bell has two tones. Could this ancient orchestra, which had lain underground for more than 2,000 years, be revived on stage? Could these ancient musical instruments be played together with a modern orchestra?

A government-sponsored research group was set up to discover what the chimes are made of, their structure and musical characteristics, and how they could be reproduced. They tried to make replicas which are very close to the originals in shape, timbre, tone quality and pitch.

"China began playing bronze bells in about the 16th century B.C.," a lobby exhibition accompanying the ancient music concert tells audiences. "After more than 1,000 years, they developed into the chime bells played here."

"Over the past 50 years, archaeologists have discovered 40 sets of chimes of different types. They cover the period from the Western Zhou Dynasty (11th century-770 B.C.) to the Warring States Period (475-221 B.C.). The bells discovered in Hubei form the largest and heaviest set, (about 2,500 kilogrammes)."

The Secret of the Sound

The unique Hubei bells look like two convex tiles stuck to-

gether. The corners along the side seams come to a point. This shape and their graduated sizes give them fixed tonal intervals.

The bells do not resonate for very long when struck, so that they can be used to play tunes.

Experiments on the bells revealed that when the front and side parts were struck, according to instructions carved on the bells, regular changes in vibration appeared on a laser hologram.

This is why each bell has two tones. The interval between the tones is three steps, which can be likened to three black and white keys on a piano. The entire set of chimes has a range of five and a half octaves. This makes the chimes the earliest chromatic scale instrument found in China.

Chemistry and Casting

Taking samples from the precious relics for testing is, of course, not allowed. Scientists had to take tiny scrapings from the insides of the bells for their experiments. Spectrum analysis, electronic probes and chemical studies were made.

These tests show that the bells are made of a relatively pure alloy of tin and bronze (bronze itself is a copper-based alloy). The tin was fairly constant, at around 14 per cent, calling for a high level of skill.

Molds of the original bells, made of silicone modified rubber with a special filling, were made so that replicas could be cast. Mold release agents were also used to prevent any damage. With the molds, all 65 bells were recast using traditional and modern methods.

The most complicated were the

young bells, which have cylindrical handles. They were cast in four layers, using 134 molds and cores.

Finally, each bell was polished and inspected. The results were satisfactory, both in shape and sound.

Trial Performance

After similar success reproducing the chime stones and other instruments, a concert was given in Beijing during National Day celebrations. Musicians from the Hubei Art College and the provincial museum carefully introduced each instrument to the audience before the concert.

They called their concert experimental, not only because they are the first to play on replicas of ancient musical instruments, but also because they composed the pieces themselves. While their ancestors had left behind the instruments, they'd left no music.

They also left no clue as to whether or not the instruments in the tomb represent a full formal orchestra of the time.

Instruments

The bell chimes played a leading role in the ancient orchestra, complimented by the stone chimes. The stones produced remarkably clear, sweet sounds, yielding different effects depending on how they are struck. When played together, the bells and stones sound elegant yet mellow.

The chimes were accompanied by wind and string instruments. The *sheng*, a collection of different sized reed pipes, is similar to an instrument still used today. The panpipes have 13 bamboo pipes, encompassing more than two octaves. The *chi* is shaped like a flute, but has no opening at either end or opens at one end. Sound resonates through the breath hole, giving it a more powerful sound than a modern flute.

The *qin* is an instrument with 10 strings. The *se* has 25 strings.

and is like a zither. Both these instruments were very popular in ancient China. They sound soft, yet sweet.

A huge drum suspended on a vertical pole completed the ancient ensemble.

The eight pieces played at the concert showed that the musicians' initial experiments with ancient music were a success. The most daring experiment, playing with a Western-style orchestra, also went well.

Popular classical music, modern music reflecting ancient life and other styles were played on various instruments alone or in concert, sometimes joined by singers. They included works based on poetry from *The Book of Songs*, a 3,000-year-old collection.

The orchestra played elegant, royal melodies, including *Court Music* which depicts the solemn scene of officials summoned to the emperor, and *Destroying the Enemy's Battlefront*, a Tang Dynasty song extolling an emperor, the *18 Ballads*, a melancholy and sorrowful melody about a woman leaving her home for the remote frontiers, and the lively *Moonlit Night on a River in Spring* about beautiful scenery.

A stirring and moving melody set to the tune of *Man Jiang Hong* by 12th century general Yue Fei changed the mood of the concert.

Movements from two full-length orchestral pieces were also performed, one accompanied by a traditional Chinese orchestra and one by a Western orchestra. Both were based on *Nine Odes*, a group of ancient poems by the patriotic poet Qu Yuan.

Judging from the audiences' enthusiastic response, the ancient orchestra has clearly withstood the test of time. What is more, it has proved uniquely adaptable to modern compositions and ensembles. After thousands of years, this orchestra has again found a stage.

OFF THE PRESS

Journey Into Revolutionary China, both a history and a travel book, takes readers back to pre-1949 China to places of historical interest, and tells the tale of the Chinese people struggling in the face of tremendous odds. There is drama and suspense, tragedy and heroism, ingenuity and tenacity as the Chinese people, led by the Communists, move forward, sometimes retreat, but never give up.

As you read the story, you are really travelling all over China, following the movements and battles, the conferences and talks, which take you from large cities to towns and mountain villages, from the coast to the interior, until the revolutionary forces gather enough strength to deal the enemy a death blow.

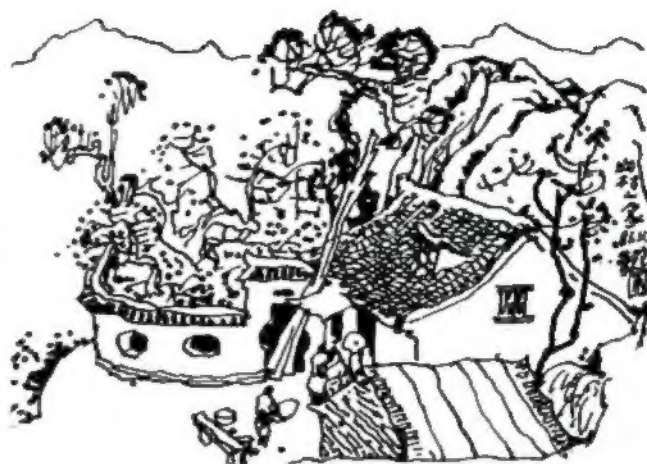
A collection of rare historical photos lend authenticity to the tale, and short biographical notes provide the necessary background material for an understanding of the leading characters who figure heroically or despicably in the Chinese revolution.

The book is indispensable for a true insight into China yesterday and today.

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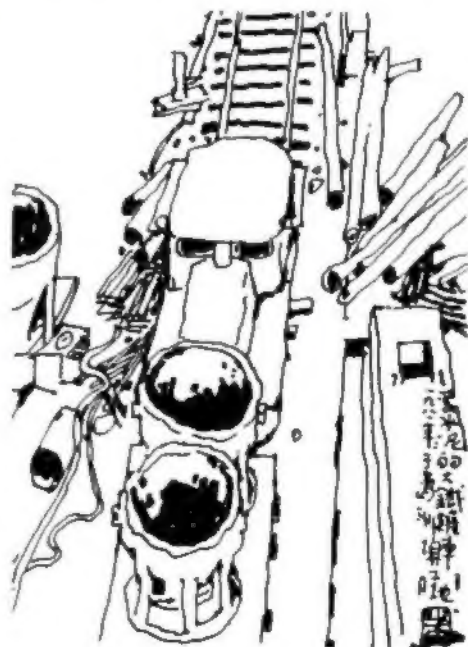
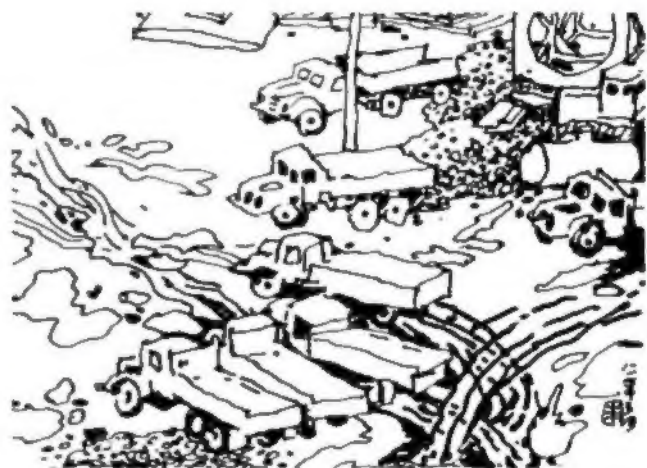


ART PAGE

Sketches by Zhu Songfa

Born in 1942 in Anhui Province, Zhu Songfa is now a teacher at the Anhui Arts School.

The artist made these sketches while touring a water conservation project at Gezhouba on the Changjiang (Yangtze) River, and travelling through the rural areas of Zhejiang.



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